New U.S.-Contra Ties Reported

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WASHINGTON -- Congressio WASHINGTON have uncovered in the light of th Of wer I. North coordinated many arms shipments to the Nicaraguan

die de New papers show differences

her de Detween U.S. and Israeli verdius of Iran deal. Page 6.

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ribels through Portugal, according to congressional sources.
The disclosure calls into ques-

The disclosure calls into question repeated denials by the White the control of the load single congressional ban on direct and the load single congressional ban on direct are indirect aid to the rebels.

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It comes as details of the unrestant of the indirect aid to the rebels.

It comes as details of the unrestant of the report on the framan arms after continue to be made public by hot positions of the administration.

And I am a suppose the first of the administration.

Congressional investigators said they had impovered new details about Colone North's ties to the supposedly private network that

supposedly private network that was providing military aid to the Nicaraguan rebels. The investigators found that Colonel North, as a member of the National Security Connoil staff, had been involved in a sense of clandestine arms shipments paid for with money that had been funneled through a Panamanian company.

They recommed one incident in

LATE NEWS

Guinness Names

LONDON (Reuters) - The

British Irish brewing company Guinness named a new char-man Sunday to take over from Ernest W. Saunders, who

stepped uside until the British

government completes an in-grant hao, the company's af-ians.

Mr. Saunders announced

Friday that he would step down

Hn 'Overworked'

was told Sunday.

GENERAL NEWS

BELJING (AP) - Hu Yao-

bang socretary-general of the Chinese Communist Party, is

100 overworked to meet with

visitors, a Japanese politician

INSIDE TODAY

MA drug shows promise in the battle against AIDS. Page 2. M The Soviet Union named a

new chief negotiator to the Geneva arms talks. Page 3.

Illusy's defense minister feels

botrayed over the Iran-contra affair. Insights, Page 5.

BUSINESS/FINANCE

New Chairman

Oliver L. North

United States. According to American accounts, an Israeli business-man erred by allowing an Israeli-chartered plane to take off before question repeated CIA denials over landing rights were secured in Por-tugal. Israeli officials say Colonel had been directly involved in rebel

for a plane to carry the arms to carried out by American flight Iran. His first thought, according to crews based in El Salvador. congressional sources, was to consider using a plane being prepared

See IRAN, Page 6

Cities Hit In Attacks by

Iran, Iraq NICOSIA -- Iran launched missile attacks on Sunday against Baghdad and the southern Iraqi

port city of Basra. Iraq said that it countered with a devastating air stoke on the Iraman holy city of Qum. . Fierce fighting between ground

forces also was reported for the third straight day, and communi-ques from both sides indicated that Iranian forces were still on the offensive near Basra.

during the investigation by the Department of Trade and Industry into Guinness's conduct during its bitterly fought £2.7 billion (54 billion) takeover of a Scotch whisky maker, Distill-Tehran Radio, monitored in Nic-Scotch whisky maker, Distill-ers, last summer.

The company said Sir Norosia, said that Iranian troops had killed or wounded 14,000 Iraqis man Macfarlane, a Scottish and captured 1,000 prisoners of war since the offensive, which Iran businessman, would serve as has code-named Karbala 5, began chairman of the Guinness board for the time being. Friday.

An kraqi field commander quoted by Iraq's official news agency said Iran lost 250 tanks in heavy fighting and that Iranian casualties

included at least 5,000 dead. The claims could not be substantiated because neither side allows foreign correspondents into the battle zones on a regular basis.

Iran had threatened to launch an offensive to end the six-year war before the Persian year ends in late March. Iran's strategy appeared to be to capture or surround Basra, which is the second-largest city in

one million people. The Iranian Revolutionary Guards Corps command was quoted in news reports as saying that a surface to surface missile was fired early Sunday at Baghdad, hitting Iraq's air force command.

Three missiles, believed to be So-

Iraq, with a population of about

viet-made Scud missiles, also were fired at military and economic targets in Basra, Tehran radio said. Iraq confirmed the missile attacks. But a spokesman denied the air headquarters had been hit, saying the missile exploded in a residential area, killing a number of

civilians. Iraq reported its planes bombed Qum on Samrday and again on

In the southern war front, Iranian forces that crossed the international border early Friday appeared to be holding onto a swath of Iraqi territory.

CIA May Have Aided Rebels Despite Ban

By James LeMoyne
New York Times Service
WASHINGTON — U.S. Central Intelligence Agency officers in Costa Rica were far more deeply involved than previously acknowl-edged in advising the Nicaraguan

Nicaragua's president signed a new constitution, then suspended 10 provisions. Page 3.

rebels on military and political strategy last year, according to re-bel officers, Costa Rican officials

and U.S. congressional aides. According to these sources, who provided names and dates detailing early November 1985, in which the the agency's activities, CIA officers Israeli government was trying to in Costa Rica advised the rebels on deliver Hawk missiles to Iran by military organization and tactics. way of Portugal on behalf of the weapons deliveries and the forma-

North had neglected to obtain the military activities at a time when the law restricted such activities.

In any event, the Israeli plane flew halfway to Portugal and then was forced to return on "its last drop of fuel."

The officials said that, in addition, senior CIA officers appear to have been closely involved with covert weapons shipments to the rebels, known as contrast, that we been closely involved with covert weapons shipments to the rebels, known as contrast, that we have been closely involved with covert weapons shipments to the rebels, known as contrast, that we have been closely involved with covert weapons shipments to the research of the coverage of the co

Senator Patrick J. Leahy, a Vermont Democrat who is a member of the Senate intelligence panel, said Saturday that if the CIA engaged in these activities, it would be "a total violation" of the congressional restrictions and "a com-plete contradiction of the assurances we were getting from the CIA that their people were observing both the letter and the spirit of the

The congressional restrictions on aid to the contras in effect in 1986 permitted the CIA to pass intelligence information to them, but barred intelligence agencies from spending money on direct or indirect support of paramilitary operations against Nicaragua and from offering military advice or direction, Congress at horized \$27 million for such nonlethal equipment as trucks and helicopters for medi-

Kathy Pherson, a CIA spokeswoman, said the agency had complied with all congressional restric-tions on its activities in Central

America. spineless microorganisms could be-comment spring, said Werner ation of the Rhine was a delicate ficials, while declining to comment Stumm, chief of the institute's re-See CONTRA, Page 6



The institute said it was essential tered."

that major pollution accidents be avoided if the river was to carry out mental officials said they did not

a natural regeneration process, aid-regard the report as too optimistic.

ed by a strong current that has But they noted that crucial ques-

washed most of the poisonous resi- tions remained to be answered be-

clear that regeneration of the river equal its former state.

"With this report, it is pretty soon the river water quality would

Finance Ministers Gerhard Stoltenberg of West Germany, center, and Edouard Balladur of France, right, before the meeting of EC ministers on Sunday in Brussels.

EMS Agreement On Revaluation Reported Near

By Peter Maass nal Herald Tribun

بمناذا من الأمل إ

BRUSSELS - European Community finance ministers, seeking to end a monetary crisis, were nearing agreement Sunday on a revalu-ation of the West German mark and Dutch guilder by 3 percent against the French Irane, EC offi-cials said.

An accord was being held up by Belgium, Denmark and Ireland They argued that their currencies should be revalued by 1 percent, EC officials said. Although the talks were reported as tense, the officials believed the standoff

would be ended by Monday morn-The French government bas steadfastly refused another devaluation, which it judges as economically unnecessary and politically damaging. Observers noted that Paris, buffeted by strikes, could ill

afford a franc devaluation It appeared Sunday night that

entire ecosystem had been shat-

fore it could be determined how

Paul Imhoff, an environmental

See RHINE, Page 6

An EMS realignment could mean European Community budget problems. Page 7.

France would prevail, although the anticipated 3-percent revaluation

of the mark was smaller than what

The EC ministers, joined by their

central bank governors, decided in

meet in emergency session in Brus-

sels after aides failed Saturday to

agree on a realignment of the eight

tary System. The system was estab-

urrencies in the European Mone-

some experts had expected.

lished in 1979 to stabilize exchange rates in the EC. The currencies of Britaio, Greece, Spain and Portugal are not io the system's exchange-rate

mechanism, although ministers from those couotries take part in EMS meetings. A realignment has been expected since the French franc began a steep fall last week against the West German mark. The franc's drop came as strikes throughout France shook public confidence, and coin-

cided with speculation in marks by investors fleeing the weakening U.S. dollar. EMS central banks reportedly pent from \$6 billion to \$10 billion last week to keep the French franc and other EMS currencies from falling below their floor levels. The EMS forbids member currencies,

above or below set parities. The intervention by the banks accentuated a dispute between Paris and Bonn, with France urging a mark revaluation and West Germany calling for a franc devaluation.

except for the Italian lira, from

moving more than 2.25 percent

See EMS, Page 6

Report Is Optimistic on Recovery of Rhine

By Thomas Netter

onal Herald Tribune GENEVA - Two months after a fire and chemical spill in Basel polluted the Rhine River, causing widespread fear that the waterway was ecologically dead, a report says the river may be able to regenerate

faster than was believed. The federal Institute of Water Planning, Purification and Protection in Dubendorf, near Zurich, which is independent of industry influence, says the river could be-gin to rebuild its food chain as early

as this spring.
Other predictions have said that it might take up to 10 years for the river to regenerate fish and water life killed by the Nov. I chemical spill during a fire at a warehouse owned by Sandoz AG, one of Switzerland's largest chemical compa-

A step-by-step process involving the growth of microorganisms and plant life, followed by the restocking of fish and eets, could begin to the damage, the report says. "It is not impossible that the

regeneration of invertebrate, or

pollntion and cold weather, re- said Alfred Degen, of the state Demains ecologically dormant over partment of Environment and En-much of its course from Basel ergy in Basel. "It doesn't look as port water life, such as fish." The report, released last week, through West Germany and bad as before, when we thought the

marked the first optimistic assessment since the spill, which was widely seen as Western Europe's worst ecological disaster in a decade. Water used to put out the fire carried an estimated 30 tons of berbicides, pesticides, fungicides and dyes into the river, coloring it red and killing hundreds of thousands of fish and eels.

The incident prompted demands for compensation, both for lost commercial fishing revenues and contaminated water supplies, and has spurred the Swiss government and chemical industry to promise stricter safety procedures and regu-

The new findings have received support from local environmentalists both in and out of government. Basel officials say they also believe the vitally important microbiology of the river has survived, and fishdifficials say they believe some revive the river and rapidly reverse fish lived, either in clean pockets of water on the riverbed or in its ports and backwaters.

Even so. Mr. Stumm and other experts cautioned that the regenersearch team. "And with that, the of factors. The river, because of

Grand Jury Subpoenas

due out to the North Sea.

is absolutely possible, and possible

in a shorter time than we thought,"

By George Lardner Jr. and Caryle Murphy Washington Post Service

WASHINGTON — Former President Ferdinand E. Marcos of the Philippines and his wife, Imelda, have been subpoensed by a federal grand jury in Alexandria, Virginia, and are expected to testify, possibly this month, according to sources. The grand jury is investigating

alleged kickbacks in U.S.-financed military sales to the Philippines under the Marcos government.

Mr. Marcos is tentatively scheduled to go before the grand jury Jan. 22, but a spokesman in Honolulu, where the Marcoses are living in exile, said they have asked for a postponement to avoid the winter cold and to ensure security.

"My president is still hoping that the hearing could be moved to another date," said the aide. "It is very, very cold for anyone to go to Washington, D.C."

If a delay is not granted, however, the Marcoses will comply with the subpoena, the spokesman said. first time that Mr. Marcos or his wife has been questioned in a criminal investigation since they fled the Philippines in February for asylum in the United States. Federal grand juries in Pittsburgh and San Francisco also have been investigating alleged bribes and misuse of began by focusing on three Califor-U.S. aid funds during Mr. Marcos's began by focusing on three Califor-nia companies that had received

for pending civil suits, but he has consistently invoked his Fifth military sales program. Amendment rights against self-in-crimination. He cited the amendment nearly 200 times during ques-Philippine government in Septem-



PRESIDENT TAKES A BACK SEAT — President Corazon C. Aquino watches as her daughter, Kris, sings at a rally urging ratification of the draft Philippine Constitution. The rally took place in the northern town of Santiago.

Francisco, citing the Alexandria investigation, ruled last month that Mr. Marcos was within his rights in The appearance would mark the refusing to answer questions because there was "at least the possibility of a prosecution in the Unit-The Alexandria investigation

started in mid-1984 but has produced no indictments. Defense Department auditors

contracts to supply communica-Mr. Marcos has been questioned about other matters in depositions armed forces. Those contracts were financed by the Pentagon's foreign

The companies, Amworld, Tele-com Satellites of America and Digital Contractors, were set up in tioning by attorneys for the 1981 by a Filipino named Raymond Moreno, a close triend of General Fabian C. Ver, former lays in debt talks. Page 7. A federal magistrate in San chief of the armed forces.

Later, investigators began looking at Pentagon contracts that Mr. Moreno had helped arrange with other U.S. companies. The grand jury is trying in determine whether there were illegal commissions or fraudulent overcharges oo more than \$100 million worth of contracts. According to several sources,

General Ver, a relative and close associate of Mr. Marcos, is a target of the investigation. General Ver appeared before the panel briefly March, but he declined to answer questions. Subpoenaed again late last year.

he did not appear, and a warrant See MARCOS, Page 6

Manila is said to be considering barring Citibank over de-

One Lesson From Fire Disaster in San Juan: It Could Happen Anywhere

By Jon Nordheimer New York Times Service

SAN JUAN, Puerto Rico - Special circumstances, including a pile of new furniture, weak safety regulations and a poorly equipped, understrength fire department, helped bring the death toll to 96 in the fire New Year's Eve at the Dupont Plaza Hotel.

But safety experts say these factors should not divert Americans from the real lesson to be drawn from the disaster: It could have happened, and might still happen, in any number of public places across the United States.

What happened at the Dupont Plaza could be repeated, the experts said, because fire safety regulations in the United States are a patchwork. The National Fire Protection Association, a nonprofit educational group of fire service officials based in Quincy, Massachusetts, publishes fire codes and building standards that serve as models. States, counties and numicipalities adopt or revise them as they see fit.

Florida, Hawaii and Massachusetts, for example, have recently expanded sprinkler requirements for existing buildings.

But because of the costs involved, the codes give older buildings as long as 15 years to comply. New York, New Jersey and

Connecticut are among the few states that have enacted stringent uniform codes. Even where codes are strict, however, enforcement can be spotty. What worries many fire experts the most is the use of plastics and other synthetic materials in furnishings. In hotels like the

Broncos Beat Browns in Overtime, Gain Super Bowl

Quarterback John Elway, fleeing the defensive rush of the Cleveland Browns in the first quarter

Sunday, led the Deriver Broncos on a game-tying 98-yard drive in the fourth quarter of the National Football League contest, then Rich Karlis kicked a 33-yard field goal early in overtime

for a 23-20 victory that put the Broncos into the Super Bowl for the second time. Page 12.

'Synthetics are used throughout buildings, and especially in places like expensive resort hotels, and the

basic ingredient in them is the same thing they make gasoline from.'

- Richard Duffy, fire safety expert Dupont Plaza, rugs, upholstery, wall decorations, draperies,

mirrors, wiring and even parts of slot machine casings are made of materials that emit poisonous gases when they burn.

The experts say that many municipal safety codes are designed to protect against the kind of fire common 50 years ago. The new killer in burning buildings is not live flame fueled by wood, but greasy black smoke from smoldering synthetic mate-"Eighty percent of fire deaths in the United States today are

caused by inhalation of toxic by-products," said Richard Duffy, director of health and safety for the International Association of Fire Fighters, a 170,000-member union. "Synthetics are used throughout buildings, and especially in places like expensive resort hotels, and the basic ingredient in them is the same thing walls and ceiling to encircle the casino before most people they make gasoline from."

Investigators now say that many of the 91 victims in the Dupont Plaza's casino died in seconds when intense heat flashed through the room. But the smoke came first, and experts say they believe it felled many persons before they could make their way to safety.

In the 1980 MGM Grand Hotel fire in Las Vegas, more than 60 of the 85 deaths were caused by toxic gases. Since then, the fire fighters' union has been trying to persuade local and state governments to require combustion toxicity tests for all synthetic furnishings in public buildings.

Design can also pose problems: Fires can find open highways and fresh fuel in the hidden spaces, or plenums, above dropped calings. "The more plenum space the greater the hazard," said Stanley M. Chesley of Cincinnati, a lawyer who specializes in trophe before it takes action," he said.

fire-related damage suits. "There is a lot of oxygen in a plenum and fuels like plastic wiring to add to the fire's spread.

It has been established that someone started the Dupont Plaza fire in a pile of new, plastic-wrapped furniture in the hotel ballroom, on a lower floor. Mr. Chesley and others say it is likely that toxic smoke, flames and intense heat entered the large plenum between ballroom and casino and then rose within realized the peril.

In any case, the experts agree, the existence of smoke detectors, automatic sprinklers or a working alarm system probably would have prevented many deaths.

Puerto Rico has not amended its fire code since it was adopted in 1963, at about the time the hotel was built. Moreover, fire inspectors complained last week that they have no power to enforce the code in such mainstays of the tourist industry as oceanfront hotels.

Also, Puerto Rico's fire department is understaffed and lacks modern equipment, but Mr. Duffy said the deficiencies of the department should not overshadow the lessons to be learned from the intensity and rapid spread of the smoke and fire. "We live in an event-by-event society that waits for a catas-

The British government is considering selling British Rail to the public after the next general election. SPORTS CALLS THE THE A conditional agreement has A CONTRACTOR OF put Australia IV into the de-lender finals of the America's And the second Cup compension. Page 13. Service Services A Committee of the Comm

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ZAVI NOVINO

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CLASSIFIE

TO OUR READERS

The next Personal Investing section will appear in the International Herald Tribune of Monday, Jan. 19.

Ted Turner may be negotiating to sell a big piece of his financially

troubled Turner Broad-

casting System. Page 7.

Page 7.

Shultz Says Policy Unchanged On Pretoria Despite Criticism

By David B. Ottaway Washington Post Service
NAIROBI — Secretary of State

the U.S. government's policy of spite the imposition last fall of economics.'

The secretar government there,

Mr. Shultz's remarks came at a press conference Saturday in which
African reporters bombarded the specifically. secretary with sharp questions

A Kenyan reporter asked Mr. Shultz, who was on the third leg of his tour of six black African nations, whether there was any change in U.S. policy toward Pretoria following the congressionally mandated sanctions imposed in September.

"The way you implement them is you are there," Mr. Shultz said. "You stay there. You don't go away. You don't just throw up your hands and say, 'I don't like it. I'm leaving. You stay there. You are, if I may use the term, engaged.

"So this is our policy — to be engaged and engaged with every-body and we hope that our actions will be constructive," he added.

Mr. Shultz said the United States hoped to be engaged with South African black nationalist, mixedrace and Indian groups, as well as "the whites there who, after all, are

The secretary plans to meet later this mooth in Washington with Oliver Tambo, head of the African National Congress, which is fighting for black majority rule and is outlawed in South Africa.

Many criocs of the administratioo in the United States and in black Africa have attacked "constructive engagement," which relies on quiet diplomacy to bring about change in South Africa, as ineffec-

Mr. Shultz said President Daniel arap Moi of Kenya had presented his views on South Africa "very

By Edward Cody

independence to New Caledonia.

on these issues between France and

13 Pacifie nations joined in the

French sensitivities have been

heightened since the United Na-

tions General Assembly voted Dec.

2 to put New Caledonia on the

assembly's list of territories that

should be granted independence

and called on France to "cooperate

with the UN decolonization com-

mittee in the implementation of

this resolution." Australia was

among the Pacific countries push-

ing hardest for the General Assem-

weeks later, Foreign Minister Jean-

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South Pacific Forum.

cific island.

Washington Post Service

PARIS - The French govern-

over French rule of the South Pa- Australia.

France Expels Envoy

On another topic, Mr. Shultz was George P. Shultz has insisted that asked by a Nigerian journalist "constructive engagement" with economic aid to black Africa this South Africa has not changed de- year had been dictated by "racism

The secretary replied by explaining the sharp cutback mandated by Congress in the administration's budget generally and in foreign aid

Another reporter, a Kenyan, asked why the administration was about U.S. policy toward Africa, asked why the administration was including economic aid to sub-Saharan Africa and the administration's support of South African-backed rebels in Angola.

Amounter reporter, a scuryan, asked why the administration was willing to provide military and other aid to "freedom fighters" opposed to Communism but not backed rebels in Angola. those, such as South African blacks, fighting for "human dignity

> Mr. Shultz did not answer the question directly, but said, "We are that support.

strongly" during their talks Satur-day, but he did not elaborate. In favor of freedom and human rights and dignity everywhere and we support it where we think it can do some good in a security sense."

Earlier, the Nigerian reporter had also asked Mr. Shultz about U.S. backing for Jonas Savimbi's guerfilla movement fighting in Angola against the Soviet-backed Marxist government.

The policy of secret aid for Mr. Savirabi's National Union for the Total Independence of Angola, adopted by the administration last year, has been bitterly criticized by many black African leaders. Mr. Shultz told the reporter that the administration supported Mr. Savimbi and others around the

world "fighting for freedom and

independence in their own countries, and we intend to continue



Secretary of State George P. Shuitz joining Sunday in a traditional Masai dance at Keekorok Lodge in the Masai Mara game reserve during the U.S. official's visit to Kenya.

Drug Shows Promise in the Battle Against AIDS

By Lawrence K. Altman

New York Times Service
WASHINGTON — In a sixmonth study, the drug ribavirin ap-peared to halt the progression of an early form of infection caused by the AIDS virus, a drug company

It is the first time that a drug has seemed to prevent acquired imname deficiency syndrome from developing in patients with early signs of infection with the virus.

But medical experts cautioned against false hopes. The drug is not a cure for AIDS, Dr. Karl M. Johnson, medical director of the drug company, ICN Pharmaceuticals, of Costa Mesa, California, and other company officials stressed at a news conference Friday.

"It is an important step," Dr. Johnson said in an interview. He added that much more research was needed before it could be determined whether this or any drug would conquer the disease. "It won't surprise me if some people who took ribavirin in the study eventually will come down with AIDS."

Sponsors of the ribavirin experi-ments, which include the Eastman Kodak Co. of Rochester, New York, said the trials were the longest and most extensive ever held to test the potential anti-viral activity of any drug against the AIDS virus.

Dr. Frank E. Young, commis-sioner of the U.S. Food and Drug Administration, said in an interview that his agency had started to review the summary data of the experiments it received on Monday, expected to receive more, and "would leave no stone unturned" to determine "as expeditiously as possible" the drug's safety and effi-

The study was conducted at four U.S. medical centers and involved a total of 163 patients, all of whom had swollen lymph nodes but who were not suffering from AIDS itself and who took two capsules each day for 24 weeks. Neither the patients nor their doctors knew what the capsules contained until after the data was analyzed, beginning on Dec. 23.

The 163 patients were divided

One group of 52 received a total dose of 800 milligrams of ribavirin in the capsules; none in this group went on to develop AIDS.

A second group of 55 received 600 milligrams each day; six of these patients developed AIDS.

A third group of 56 received a placebo; 10 developed AIDS.

Ribavirin was "very well tolerated" by those who took it in the study and there were few serious side effects, said Dr. Peter Mansell, of the Institute of Immunologic Disorders, which is affiliated with the University of Texas Medical Center in Houston. Among the side effects cited were insomnia, irritability and intestinal discomfort.

Ribavirin was oot compared in this study to another drug called AZT, or azidothymidine, which was found to improve the health of a group of AIDS patients who had suffered a form of pneumonia called pneumocystis carinii. With approval from the Food and Drug Administration, the manufacturer, the Burroughs Wellcome Co., has made AZT available to about 3,000

AIDS patients before the drug has been approved for marketing.
ICN officials said that they had no plans to make ribavirin available for the treatment of infection with the AIDS virus until the drug

agency gave its approval.
Since Roland Robinson, an organic chemist, synthesized riba-virin about 1970, the drug has been studied for its activity against a number of viruses, Dr. Johnson said. He credited Dr. Joseph B. McCormick of the Centers for Disease Control in Atlanta with first detecting from test tube experiments ribavirin's effects against the

AIDS virus. Estimates indicate that op to 2 millioo Americans are infected with the AIDS virus. The disease is considered fatal. As of Jan. 5, a total of 29,137 cases of AIDS were reported to the Centers for Disease Control and of these, 16,481 have

Because doctors first recognized AIDS only in 1981, there has not been sufficient time to learn how many of those infected with the virus will come down with the dis-

Nakasone

For Talks

In Helsinki

HELSINKI - Prime Minister

Yasuhiro Nakasone of Japan be-

gan Sunday an official visit to Fin-

land during which he is expected to

ask Finnish leaders about their

views on the leadership in the Sovi-

Mr. Nakasone arrived in Helsin-

attempts to invite the Soviet leader,

Mikhail S. Gorbachev, to Japan

and to make a return visit to the

His two days of talks in Finland

Minister Kalevi Sorsa and Presi-

dent Mauno Koivisto, two of the

most frequent visitors to Moscow

The New York Times reported

Government officials have char-

made state visits to the countries on

Of particular interest is whether

the prime minister will offer Po-

land some form of economic assis-

sone was prepared to make available \$200 million in loans from

Japan's Export-Import Bank, after

Poland presents a plan for repaying its \$30 billion debt to Western

Japan, along with a number of

Western countries, imposed eco-

nomic sanctions on Poland after

martial law was declared in 1981.

But the Japanese, who hold about \$1 billion of the Polish debt, have

recently eased their hard-line stand

IRANGCAM, WITH ALL ITS

CONVOLUTIONS, IT IS OFTEN

and indicated a readiness to restore

creditors.

normal relations.

DOONESBURY

Mr. Nakasone's itinerary.

outside the Eastern bloc.

from Tokyo:

■ Unprecedented Trip

via and Poland.

Strikes Seen Subsiding In France

PARIS - Strikes among work-

The state-owned railway said 70

isputed the figures.
Three unions accepted a pay of-

In Paris, however, a strike by the workers for the Metro and bus systems over pay entered its seventh day and appeared certain to con-tinue Monday. The systems appeared to be operating at about half their normal capacity on Sun-

try," the statement said. "The CGT considers that the populatioo should oot, under the circumstances, be affected by power re-

Many analysts say that one of Moscow's rejection so far of his working hours and conditions.

The stoppage on the railways, which began 25 days ago, was extend their action for 24 hours.

ties, which are partners in the conservative government of Prime Minister Jacques Chirac, and the far-right National Front, business organizations and consomer groups planned tallics Monday in Paris and elsewhere to protest the acterized Mr. Nakasone's trip as an

important breakthrough, broadening Japan's diplomacy beyond its Jean-Marie Le Pen, leader of the extreme-right National Front, said customary focus on the United States, Asia and Western Europe. Sunday his party's demonstration would be aimed at what be called No Japanese leader has ever before government laxity in handling the

ers in French public services ap-peared to be winding down Sunday as support for the stoppages

percent of scheduled long-distance trains were running and that work had resumed at more than half of the 94 main depots. The unions

fer Saturday for workers at the state-owned electricity and gas utilities, where strikes disrupted service last week. Management said it expected there would be no more of the random power cuts that have provoked protests this week by many businesses and private con-

day.
The pro-Socialist French Democratic Labor Confederation, or
CFDT, was scheduled to decide
Monday whether to join the accord reached by the utilities workers. It called for its members to end their

The Communist-led General Confederation of Labor, or CGT, forms of protest rather than cutting power production.

"A cold wave is hitting our counductions."

But dissatisfaction among workers in the public sector persisted over the government's policies of limiting wage rises, scaling down the state's participation in industry and introducing more flexible

strongest in the south, where train drivers in Marseille, Bordeaux, Toulouse and Montpellier voted to The Rally for the Republic and Union for French Democracy par-

strikes.

by storms.

grees Fahrenheit).

this century.

LONDON — As a cold snap swept across Europe, 48 persons died in the Soviet Union, the Swedish Army was called out to reach thousands

of isolated homes and fishermen were shipwrecked

throughout Europe, with eastern Siberia the cold-est at minus 60 degrees centigrade (minus 76 de-

The temperature in Helsinki dropped Saturday

to minus 34.3 degrees centigrade (minus 30 degrees

Fahrenheit), the lowest temperature recorded there

caused mainly by defective heaters in the country's

Soviet press reports said 48 persons died in fires

The cold caused two deaths in Sweden on Satur-

Record low temperatures were reported

WORLD BRIEFS

Guerrillas to Discuss Kabul Truce Bid

ISLAMABAD (Reuters) - Afghan rebel leaders are due to meet Monday to discuss the Kabul government's new peace offer, an official of the main guerrilla alliance said Saturday.

Leaders of the seven parties in the Islamic Unity of Majahidia of Afghanistan will gather in the northwestern Pakistani city of Peshawar.

Major General Najibullah, the Afghan leader, began an initiative to end the eight-year conflict two weeks ago, offering to talk to the rebels and declaring a cease-fire that is scheduled to begin Thursday. The guerrillas rejected the proposal, but some guerrilla supporters have said it was necessary to give a more substantive response.

Report Assails U.S. Math Curriculum

NEW YORK (AP) — Mathematics pupils in the United States badly trail those in Japan and Hong Kong, largely because of unchallenging and pointlessly repetitious school curriculum, a U.S. study of schools in 18 countries and territories concludes.

"In school mathematics, the United States is an underachieving nation and our curriculum is beloing to create a nation of underachievers," said the study, "The Underachieving Curriculum: Assessing U.S. School Mathematics from an International Perspective," which was released

The report follows a study, released Jan. 3 by the U.S. edu secretary, William J. Bennett, that extolled Japanese elementary and secondary schools. Mr. Bennett suggested that Americans borrow some ideas from Japan, especially the view that "progress can be made by practically anyone who tries hard enough."

Pope Assails Arms Race, Calls for Cuts

ROME (NYT) - Pope John Paul II condemned the sums race Saturday as a fundamental cause of friction between rich and poor countries, and he called on nations to cut their stockpiles of weapons to levels compatible with self-defense.

In his annual New Year's address to diplomats accredited to the Vatican, John Paul also said nations making the "long and difficult" passage from dictatorship to democracy needed encouragement to take e "path of peace."

Huge military expenditures, he said, look "dangerous, ruinous and scandalous" to countries that lack essential food and sanitation. The pontiff added: "This is one of the keys to the problems of North-South relations which seem, from an ethical point of view, even more fundamental than these is East Man added." than those in East-West relations

U.S., Egypt Differ on Peace Moves



Richard W. Murphy

CAIRO (UPI) — Egypt and the United States have differed public-ly over the need for an international conference on Middle East peace, with a U.S. diplomat, Rich-ard W. Murphy, calling instead for direct Arab-Israeli negotiations.

Mr. Murphy, an assistant secretary of state, speaking after an hour-long meeting with Foreign Minister Esmat Abdel Meguid, said the United States "did not see value" in a conference involving the five permanent members of the United Nations Security Council. A spokesman for Mr. Abdel Meguid said he called for an "interna-tional peace conference as the practical means in whose framework negotiations can be held."

Mr. Murphy previously visited Jordan and Israel for talks on activating the stalled peace effort and restoring U.S. credibility in the Arab world after the U.S. arms-forhostages deal with Iran.

said in a statement Sunday that it would not join four other unions in. Chad Reports Clashes With Libyans

an troops and Chadian forces for said that it would turn to other several skirmishes in northern Chad, leaving some Libyan soldiers killed and wounded, the government said Sunday.

A military statement said the clashes occurred Saturday near Yebbi-Bou, cast of Bardai near Chad's border with Libya.

Meanwhile, the head of France's armed forces, General Jean-Michel SanInier, ended an evaluation mission to Chad on Sunday and said that there was "uncontestably a new situation" in the Libyan offensive in the north that began last month. The offensive apparently has stalled and government troops have scored some successes, notably the taking of

U.S. Marine Linked to Soviet Spying

WASHINGTON (WP) - A U.S. Marine Corps security guard assigned to embassics in Moscow and Vicana is in pre-trial confinement at the Quantico Marine base in Virginia on suspicion of espionage, military

Sergeant Clayton J. Lonetree, 25, of Chicago, is under investigation for espionage, unauthorized removal and disclosure of classified information and failing to report contacts with citizens of Communist-controlled nations, a Marine spokeswoman said Saturday.

Sergeant Lonetree allegedly provided secret information to the Soviet Union through a woman believed to be an agent of the KGB, the Soviet secret police and intelligence agency, according to a State Department source who described the activities as "a classic Soviet entrapment case."

For the Record

Storms, Record Cold Strike Europe

The last 11 prisoners protesting alleged brutality at Glasgow's high-security Barlinnie Prison gave themselves up Saturday, a government spokeswoman said.

Six Italian Radical Party members, including three members of Parliament, were arrested Sunday in Warsaw while demonstrating against Monday's visit to Italy and later the Vatican by the Polish leader, General Wojciech Januzelski,

South Africa's population fell 3.3 million to 23.4 million from 1984 to mid-1985, according to a survey by the South African Institute of Race

train to the wrong track.

wave sank their boat Friday.

day when a passenger train crashed into a train engine at Stode station, north of Stockholm. Offi-

cials said a frozen switch apparently diverted the

Five fishermen were rescued off the Almeria coast of Spain after their vessel was shipwrecked.

Three Danish fishermen survived more than 30

hours on a leaking life raft in the Baltic Sea after a

■ 9 Deaths Linked to Weather in France

fire early Sunday in a house on the western coast of

France, killing four children and three adults in the same family, United Press International reported

In another accident in France, two fishermen in

Normandy were blown overboard and drowned

when their boats were struck by high winds.

from Châteauneuf-sur-Charente, France.

Firemen said an overheated wood stove started a

WORLDWIDE ENTERTAINMENT

South Pacific.

consular mandate.

Canberra, called the expulsion or-

der "unilateral and unjustified"

and denied that Mr. Dauth had

acted outside the definition of his

New Caledonia has become a

Mitterrand responded with a for-mula that could have opened the

way to eventual independence for the island. Since Mr. Chirac came

to power with a conservative par-

liameotary majority in March 1986. Australia and other Pacific

countries have expressed fear that

this opening will be abandoned.



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Prime Minister Yasuhiro Nakasone, left, is greeted upon his arrival in Finland by Prime Minister Kalevi Sorsa.

thorn in the side of the French government since clashes in late 1984 between independent activists from the local Melanesian people, called Kanaks, and French settlers Irish UN Soldier Killed eager to keep the territory as a part of France. The Socialist government then in power under President François By Israelis in Lebanon

BEIRUT - The commander of the United Nations peacekeeping force in southern Lebanon said Sunday that unprovoked Israeli tank fire had killed a UN soldier

"The Irish soldier," said Major General Gustav Haegglund, the commander of the UN Interim Force in Lebanon, "was killed by a round fired from an Israeli tank. This firing was unprovoked.

"I have vigorously protested this act to the Israeli authorities, who undertook to conduct an urgent investigation." The Irishman, Corporal Dermot McGloughlin, 33, was killed Saturday at a UN post near the village of

Baraachit on the edge of Israel's self-declared "security zone." The UNIFIL spokesman, Timur Goksel, said that Corporal McGloughlin died after an Israeli unit near Baraachit opened fire with tanks, mortars and machine guns at an Irish-held UN position

on Saturday night.
The Irish position commander went up to the roof of the building and fitted two flares to show that the position was occupied by UNI-FIL troops," Mr. Goksel said. "Bot as he was coming down, another tank round exploded in a room To Buy U.S. Fighters where the soldier was resting. The position was seriously damaged and the firing continued for 10

He was the 21st Irish soldier to ity suffered by UNIFIL since it was man said Sunday. deployed in 1978 after an Israeli invasion of the south. In Jerusalem, an Israeli Army

tally when Israeli troops fired at a said.

guerrilla concentration on the bor-der of the security zone. She said building that houses the UNIFI DOST. The spokeswoman said that the

army had opened an investigation into the incident. tance when he arrives in Warsaw on Thursday. Foreign Ministry of-An Israeli Foreign Ministry ficials say there are no such plans. Nevertheless, The Japan Times, which often reflects government thinking, reported that Mr. Nakaspokesman said: "Needless to say,

we expressed sorrow and regret over the death of the Irish soldier and immediately after hearing of it we began an investigation geared at finding out exactly what hap-Mr. Rabin, speaking after a cabinet meeting, said: "When the inquiry is ended, we will tell the

Separately, Beirut International Airport returned to normal opera-tions Sunday. Flights had been disrupted for three days by shellfire.

Meanwhile, Palestinian guerrillas and Shiite Amal militiamen traded fire at Beirut refugee camps Sunday as Iranian mediators called on both sides to stop fighting.

Greece to Sign Contract

ATHENS - The Greek government will sign an agreement with General Dynamics Corporation on Monday for the purchase of 40 Fdie in Lebanon and the 139th fatal- 16 fighters, a government spokes-

REFERRED TO HERE ON I CAPITOL HILL AS A PUZZLE." The transaction, which has been under negotiation for more than two years, is valued at about \$1 spokeswomao said Corporal billion and will be paid out of U.S. McGloughlin was killed accidenmilitary credits to Greece, sources



coldest January since 1950.





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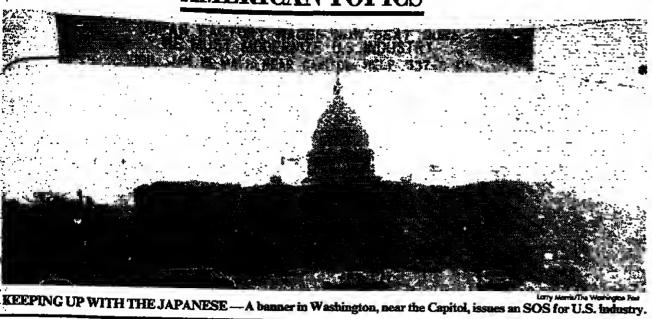
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publication, according to the editor described in the constitution are incal, or just on paper," Mr. Cuadra **AMERICAN TOPICS**



Modern Restoring Techniques Give Historic Houses New Life

As research methods and technologies become more sophisticated, curators of residences dating from the American Revolution are changing the decor, usually from frilly but dull to plain and bright, to bring them more in line with historical reality. The New York Times reports.

Experts say that from the 1930s through the 1970s, many rooms in these houses were furnished in the idealized Colonial Revival style. Christine Meadows, curator of George Washington's estate at Mount Vernon, Virginia, says historical accuracy was considered secondary to "making the room settings pretty, warm and attractive."

Visitors to Mount Vernon, to the governor's palace in Colonial Williamsburg and to other residences now are seeing re-restored rooms shorn of their Colonial Revival trappings of fussy curtains, heavy rugs and drably painted walls.

These changes result from advances in chemical analysis, which have shown brighter colors; in interior archaeology, using special

lights and filters to reveal lost architectural elements; and to increased scholarship and the use of period inventories as prime

بمنذ من الأمل إ

Chemical analysis has replaced the mechanical technique of scraping down to the original paint, by which time that paint had often faded beyond recognition. "The color we were big on was putty," Miss Meadows recalls. Mount Vernon's dining room now sparkles in verdigris.

Short Takes

Bankers Trust in New York says it is providing a "Relationship Manager" for private clients. This prompted the "Metropolitan Diary" column of The New York Times to comment: "It's probably a good thing. Machines seem to have taken over banking anyway, and so many relationships these days are in a mets. A decent manager could weed out those lemons in the portfolio who fail to return telephone calls, or who look past you during a conversation or who do not recog-

Business has more than doubled since smoking was banned at the Adams Landing Bar and Restaurant at the Pontiae-Oakland airport near Detroit, according to the owner, Larry Adams. Mr. Adams, a former smoker. said: "A lot of people said you can't open a bar because when people drink they want to smoke. Well, that's true for about 30 percent of the population, but 70 percent don't So the competition can take our 30 percent smokers and we'll take their 70 percent non-

Harsher drunken-driving laws cause more drunken drivers to flee the scenes of traffic accidents, according to a study by Purdue University in Indiana. Ohio instituted a new law in March 1983 that made it more likely that motorists caught drinking and driving would be sent to jail and have their licenses suspended. Research into 500,000 accidents in Ohio from January 1982 to June 1983 indicated that under the new law, the number of alcohol-related accidents fell by nearly 20 percent, but the number of hit-and-run accidents caused by intoxicated drivers rose by 8

-ARTHUR HIGBEE

Gorbachev Assails U.S. Responses to Soviet Initiatives

. Washington Post Service Washington Part Service

MOSCOW — Mikhail S. Gorbachev, the Soviet leader, faulted the Reagan administration Sunday for not responding to Moscow's diplomatic initiatives during 1986.

. In a letter to the UN secretarygeneral, Javier Pérez de Cnéllar, Mr. Gorbachev said that although it produced no practical results, the eland summit meeting in October at least had raised the cause of miclear disarmament to "an unprecedently high plateau."

The letter, published in Pravda, the Communist Party newspaper, listed a series of Soviet initiatives, including a proposal to rid the world of nuclear weapons by the year 2000 and a unilateral moratomim on nuclear testing.

"Regrettably, our negotiating partners do not show readiness to find accords effectively to contain the arms race," Mr. Gorbachev

reductions in Central Europe, for a preparatory committee for a peace conference on the Middle East conflict, for an "immediate settlement" in Afghanistan and for Asian security.



Washington Post Service
WASHINGTON — The Soviet Union has told the United States it will replace the chief Soviet negoti-ator at the Geneva talks on nuclear weapons when they resume Thursday, according to U.S. officials.
In what was billed as an effort to

give the stalled negotiations new prominence and vigor, the chief So-viet negotiator, Viktor P. Karpov, 57, will be replaced by Yuli M. Vorontsov, the Soviet first deputy foreign minister. The shift was relayed to the U.S. administration Thursday by the Soviet ambassa-dor, Yuri V. Dubinin, the officials

Mr. Dubinin indicated the Soviet Union would like the United States to appoint a more senior delegation chief than the U.S. representative, Max M. Kampelman, the officials said, adding that the Reagan administration had no plans to do so. Mr. Karpov, a Soviet weapons

expert for nearly 20 years, is the Mr. Gorbachev also listed Soviet in the Foreign Ministry. Mr. Vorproposals for conventional troop ontsov, 56, was appointed first deputy minister in May after serving as the Soviet ambassador to France.
Last month, Mr. Vorontsov called on the United States to join the Soviet Union in a moratorium



Yuli M. Vorontsov

"It is quite obvious the American administration is engaged in a clear effort to establish military superithrough the tests and the Strategic ater nuclear arms separately from Defense Initiative program," he an agreement on strategic weapons

Mr. Vorontsov said U.S. testing was "intended to produce a third generation of nuclear weaponry," security of the Soviet Union and its allies in danger."

Mr. Vorontsov served as second in command at the Soviet Embassy Washington under Anatoli F. Dobrynin from 1970 to 1977.

Some U.S. officials interpret the shift in negotiators as evidence of a further decline in the influence of associates of Andrei A. Gromyko, the Soviet foreign minister for 28 years until July 1985. He was succccded by Edward A. Shevard-

Mr. Karpov came out of Mr. Gromyko's Foreign Ministry to direct strategic arms negotiations with the Reagan administration in 1981. He previously served as a Soviet expert during the SALT-1 negotiations in the early 1970s and as a deputy and acting delegation chief during the SALT-2 negotiations in the late 1970s. In London, after the Iceland

summit meeting in October, Mr. Karpov surprised U.S. officials by publicly stating that a U.S.-Soviet reduced over a five-year period.

and ballistic missile defenses, only to be corrected later by a Soviet

Foreign Ministry spokesman. A U.S.-Soviet agreement on theater nuclear weapons is considered more likely than one involving surategic arms or missile defenses because of progress made at the Iceland meeting.

There, both sides agreed to remove all medium-range missiles from Europe, and to allow 100 So-viet SS-20 missile warheads to remain within striking distance of Asia, to be matched by 100 war-heads on similar missiles to be propose the han damages the stored in the United States.

progress was made on strategie arms and missile defenses in Reyk-

The two sides remain divided primarily over the type of missile defense research to be allowed during a 10-year period of adherence to the 1972 Anti-Ballistic Missile Treaty, and over any subsequent missile defense deployment. In ad-dition, they disagree about the pre-

U.S. Officials Split

State Department officials have proposed that American negotiators be given the authority to drop the administration's proposed ban on long-range mobile missiles during the next round of arms talks, administration officials said Saturday, The New York Times reported from Washington.

The State Department officials reportedly say that such a ban is inconsistent with the administration's plans to develop two new types of mobile missiles — the Midgetman and MX missile, which

They argue that continuing to propose the ban damages the ad-ministration's credibility with a Although some important details Congress that has generally sup-remain to be worked out, much less ported the Midgetman program.

The State Department approach is opposed by civilian Defense De-partment officials, the Joint Chiefs of Staff and Edward L. Rowny, an adviser to President Ronald Reagan, officials say. The opponents say the Soviet Union should first demonstrate that it is possible to monitor limits on such missiles effectively.

The issue is now before the Nacise mix of strategie weapons to be tional Security Conneil, officials CELINE

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In Managua, Fleeting Liberties

on nuclear weapons testing.

Ortega Signs Constitution, Promptly Suspends 10 Articles

MANAGUA — President Dan-iel Ortega Saavedra has signed a new Nicaraguan Constitution, but he announced later that a state of emergency nullifying many civil liberues would be reimposed be-American aggression."

Speaking before thousands of people gathered in the Plaza of the Revolution, Mr. Ortega said that the Sandinist government does "not wish to have to maintain the national state of emergency, but we

are forced to do it." The state of emergency, in effect since 1982, was automatically voided upon the signing of the constitu-

A government statement broadcast on state radio said Friday that at least 10 articles were suspended by presidential decree, including the right to demonstrate and to strike, and freedom of information.

The constitution, approved Nov. 19 by the National Assembly, promises freedom of expression and religion, prohibits imprison-ment without court order and en-sures the right to strike. It also promises political pluralism, a mixed economy and international

nonalignment. In Washington, Phyllis Oakley, a State Department spokeswoman, said, "the new constitution is morely a mask for total control of Nicaragua by the Sandinista Party."
It provides the legal justification for the consolidation of oneparty, totalitarian rule in Nicara-gua," she added.

President Alan Garcia Pérez of Peru was among the invited guests at the plaza to watch Mr. Ortega sign the nation's first constitution since the Sandinists came to power

Many opposition groups held

In one of the largest protests of recent years, demonstrators carried different organizations of the Nicalarge banners through Managna to the grave of Pedro Joaquin Chapter of Pedro Joaquin Chapter of the Southern Opthe grave of Pedro Joaquin Cha-morro Cardenal, the publisher of the newspaper La Prensa, who was murdered eight years ago. The killing helped spark the popular revolt that led to the overthrow of the

dictator Anastasio Somozo. "We are supposed to have a constitution, and we are acting under the constitution," said Alvin Guthrie, head of the Confederation for Labor Unity. Meanwhile, in the predawn ruled out, Mr. Cesar said, and a full

hours Friday, security policemen raided a small print shop in Manawould be guaranteed. Elections would be held in one gua and confiscated 10,000 copies The poster showing Chamorro and Pone of his slogans, "Without press Recedom, there is no freedom." The Social Christian Party. ers would also be held.

The transition government would be nonaligned, but would remain part of the Rio Treaty of The directors of La Prensa, closed by the leftist government June 26, notified Sandinist authorities in a letter delivered at midday Friday of their decision to resume in chief, Pablo Antonio Cuadra.
"We want to see if the liberties

would be maintained. The state would continue to control banks and foreign trade mat-



President Daniel Ortega Saavedra of Nicaragua, left, greeting President Alan Garcia Pérez of Peru in Managua.

ters, although rationing would end and small businesses would be en-

couraged. Transfers to peasants of

land titles made under the Sandin-

ists would be honored, according to

It outlined a small, apolitical

armed force, in contrast to the

60,000-member Popular Sandinist Army, and promised to move to-ward a demilitarized Nicaragua de-fended by a small civil guard on the

Marion Schoen,

Big Band Singer,

The Associated Press

KIRKLAND, Washington -

Marion Hutton Schoen, 67, the for-

mer lead vocalist for the Glenn

Miller Orchestra who spent the last

two decades helping other women alcoholics, has died of cancer.

Mrs. Schoen, who died Saturday, joined Miller's band in 1939 and

performed with him until he joined

She went on to record for Armed

Forces Radio and MGM Records

and appeared in Universal Studios

films with Abbott and Costello,

Donald O'Connor and the Marx

Some of her notable recordings

include "Kalamazoo," "Chatta-nooga Choo-Choo," "Don't Sit Under the Apple Tree," "Moon-light Serenade," and "I'll Be Seeing You."

the Army Air Corps.

Is Dead at 67

the document.

model of Costa Rica.

■ Statement by Rebels

Joanne Omang of The Washing-ton Past reported from Washington: The Nicaraguan rebels made public Friday a detailed promise of what their future government would look like if they should suc-ceed in taking power in Managua.

The United Nicaraguan Opposition and the Southern Opposition Bloc timed their announcement to coincide with the promulgation of the Nicaraguan Constitution. The two main rebel groups signed their joint political document in an eve-ning ceremony in Miami.

"This clearly defines for the first time the political program of the position Bloc, in Washington on Friday. "It will lead to a clear single alternative to the Sandinista politi-

It would set up a small governing innta and a national assembly to share legislative powers during a transition period, with both representing the main political currents in Nicaragus. Neither the Sandinists nor Communists would be

year for a constituent assembly that would present a constitution one year later, when elections for presi-dent, vice president and local lead-

mutual defense among Latin American nations, to which the United States is a party, the docu-ment said. Diplomatic relations with Cuba and the Soviet Union

Mrs. Shoen retired from show business in 1954. She suffered from alcoholism and became addicted to prescription drugs, eventually seeking treatment in 1965. She then devoted her life to helping other



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Herald Cribune.

The Curtain Stays Down

Mikhail Gorbachev continues to make remarkable changes. Boris Pasternak's long-banned "Doctor Zhivago" will be published within the year. The KGB has expelled one of its top officials for harassing a reporter seeking to expose corruption. Yet in contrast to these positive changes comes a seeming clampdown on emigra-tion. Mr. Gorbachev probably can have it both ways in Moscow, but not in the West, If Westerners are to take his internal policy of glasnost seriously, he would do well to extend the openness to Soviet borders.

Mr. Gorbachev put a new emigration law into effect on Jan. 1 with the stated purpose of clarification and simplification. Setting out the rules explicitly for the first time makes them less arbitrary in some respects. There appears to be less risk of being turned down because one supposedly possesses state secrets. Yet in most respects the new rules could make emigration more difficult.
Now denials can be justified by vague judgments about preserving public order and
the health and morality of the population. Now only the closest of relatives abroad count for family reunification.

There were some promising signs in emi-

egation to the Helsinki review confercace says that 4,450 Russians were allowed to leave through November, a 60 percent jump over the year before. But Jewish emigration actually dropped slightly. And the U.S. State Department estimates that only about 30,000 to 40,000 of the hundreds of thousands of Russians who wish to emi-grate will now be eligible to do so. Mr. Gorbachev has increased the flow of

information, loosened restrictions on the arts and broadened the latitude of public debate. To bring the scientific and technological expertise, capital and trade that he needs from abroad, he wants to encourage joint ventures with foreign businesses. Armed with tax breaks, independent from Armed with tax breaks, independent from centralized planning and offering foreigners a share in the equity, individual Russians may now go abroad to hure investments home. This could bring significant changes in Soviet economic policies. But expansion of East-West economic ties requires trust and stability as well. To inspire those, Mr. Gorbachev would profit from a freer and fairer emigration policy.

THE NEW YORK TIMES.

Talking With the ANC

Its 75th anniversary finds the African National Congress struggling. Its name and cause have become far better known outside South Africa, but its dominant figure, Nelson Mandela, is in prison and aging; its working political leadership, led by Oliver Tambo, is in exile and not fully in touch with events on the ground; its guerrillas are getting bolder but are under harsh pressure; its supporters are repressed. And other black political groups in the country contest its claim to speak for the people. These circumstances may explain the several messages in its 75th anniversary statement.

One is a call to extend the armed conflict - an understandable call for an occanization denied any official political role by the apartheid government and trying to keep the allegiance of increasingly militant blacks. At the same time, the statement cautions against attacks on civilian targets and against "necklace" killings of blacks of other political views - borrible attacks that have justifiably damaged the ANC's standing inside and outside South Africa.

A second message, of openness to nonracialism and democracy, appears directed at South African whites who are perhaps sympathetic to the dismantling of apartheid but wonder at their future place when it is gone. The ANC is in the midst of an intense internal debate over the political and ecodarkened by, among other things, the Com-munist element within the organization.

A third message, of readiness for negotiation and conciliation, is aimed at Western countries, especially the United States, from whom the ANC seeks help in isolating Pretoria and gaining recognition. This is no easy trick for an organization that has denounced the American government for sup-posedly coddling apartheid. Nonetheless, Mr. Tambo, over some internal ANC dissent, is due to meet Secretary of State

George Shultz in Washington on Jan. 26. The ANC will be a long time working out its dilemmas, Meanwhile, the United States must run its own policy. The coming Shultz meeting with Mr. Tambo adds a potential new line to a policy otherwise still caught in the toils of the divisive sanctions debate. It has taken six years for an appreciation of the ANC's political centrality to overcome the Reagan administration's aversion to its revolutionary and communist aspects. But it is only by increasing the administration's constructive engagement with all the major actors — including, when it is again so minded, the government — that America can hope to help turn the struggle in South Africa into political channels. This remains the necessary and worthy American mle. -THE WASHINGTON POST.

Leadership Is Needed

The White House is so eager to demonstrate that President Reagan did not know about transferring Iranian arms money to the Nicaraguan rebels that it releases, and urges the Senate intelligence committee to release, humiliating evidence of its foreign policy ineptitude. To prove that he is no knave, Mr. Reagan seeks to prove that he had no knowledge of remarkable conduct and, to a large extent, still has none.

Congress will have to inform itself, and not solely of the things the White House wants to know in order to get ahead of the information curve. For there is more under investigation than Mr. Reagan's knowledge. In question also is his management of foreign policy, including his pledge not to pay ransom to terrorists and his runarounds with Congress over aiding the contras.

It becomes ever clearer that the Senate intelligence committee was right to refuse giving premature immunity to two National Security Council witnesses and right not to come to quick conclusions. The committee performed a function something like an advance patrol. Conclusions will come soon enough from the new investigating committees established by each house.

Meanwhile, for better or worse, versions of the intelligence committee's report and documents are being made public. Taken by themselves, the documents show that the administration knew it was engaged in a crude hostages-for-arms swap and not a move toward Iranian moderates.

The disclosures also betray deep administration cynicism toward Congress. Take

the report last week that \$10 million in "humanitarian" aid to the contras is unaccounted for, Secretary of State George Shultz and Assistant Secretary Elliott Abrams solemnly promised Congress that if allowed to solicit nonlethal aid from third countries, they would take special care to prevent its misuse. What special care did. Mr. Abrams take after cadging \$10 million from the sultan of Brunei? Mr. Abrams asked that the money be

sent to a Swiss bank account controlled by Oliver North. For months thereafter, he says, he accepted the colonel's statement that the sultan had not deposited the money. And he evidently never thought to prod the sultan even though he regarded the aid as crucial to starving Nicaraguans. Only after the Iran-contra scandal broke in November did Mr. Abrams learn that the funds had been deposited after all. But

where did the money go from there?

One possibility is that it was used to finance the Iran arms deals, a bizarre twist on the aiready scandalous diversions from Iran to Nicaragua. That is how careful the State Department, second only to Mr. Reagan in disavowing knowledge, has been with its promises to Congress.

President Reagan has hired staff to help him get out from behind the information curve and keep up with an inquisitive Congress and public. Better for him and for the United States if he leads the way to discovering not only what he knew but also what he should have known.

-THE NEW YORK TIMES

Other Comment

Free, Partly Free, Not Free

Of the estimated world population of 4,963.9 million people, 1,842.5 million live in 57 free states and 34 related territories; 1,171.5 million live in 57 partly free states and 19 related territories; 1,949.9 live in 53 not-free states and two related territories.

The most widely recognized advance in freedom in 1986 was in the Philippines. However a crisis atmosphere waxed and wanted but was never dissipated.

The most dramatic gains in the Americas were in Guatemala and Haiti. In Guatemala the results of the electoral campaigns of 1985 were further consolidated, disappearances and government cruelty declined, and the rights to assembly and organization increased. Haiti overthrew a tyrannical regime, but its initial stens toward freedom

and democracy were slow and unsteady. Thailand showed increasing respect for diversity of opinion and participation. Bangladesh ended martial law, but elections there were seriously marred. Turkey improved its human rights record, while leaving room for further liberalization.

In Africa, the most notable progress took place in Sudan. Cameroon, far from demoeratic, nevertheless had meaningful elections within the single ruling party.

Possibly the most promising trend, continuing through 1985-1986, was the liberalization of discussion and mode of life in the People's Republic of China. Within the strictures of a not-free Marxist-Leninist country, there is the recognition of alter-

natives to present policies. - This was adopted by The Washington Post from the annual Freedom House survey.

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There Is a Better Way Than Boom-Booms

PARIS - In the aftermath of World War L I there was a great campaign against the "mer-chants of death" who made fortunes selling arms and encouraging wars to use them up. Making money is now an important factor for govern-ments in the world arms trade, but the politics of trying to win friends and influence people, not to

speak of buying back hostages, has overtaken it.
As Andrew Pierre put it in his book "The Global Politics of Arms Sales," written in 1981 and today more topical than ever, "arms sales are foreign policy writ large." They have become a test of international affection, the way to court a ruling elite and show support, especially in the Third World. The goodies with which to turn foreign heads are boom-booms now, not the trinkers and bombons of old.

This is not new. Mr. Pierre shows that the trend developed after widespread decolonization in the 1960s and accelerated in the '70s. But now it seems to be taken for granted by suppliers as a reasonable way to try to make the world work, and by recipients as the measure of "good will." President Jimmy Carter made a stab at revers-

ing the trend, but with only limited success. The transfer of arms increased during his presidency, although he imposed stricter guidelines to im-prove coherence with other foreign policy goals and made sure that everybody involved knew that be was keeping a close watch on the deals. In the 1979 fiscal year, Mr. Pierre says, President Carter personally "reviewed 88 out of a total of 126 significant transactions."

By Flora Lewis

tence that first the Soviet Union should agree on negotiated restraints. These negotiations broke down because of intramural quarrels in the American bureaucracy and ultimately with the suspension of practically all U.S.-Soviet talks after the invasion of Afghanistan.

Mr. Carter's experience highlighted the diffi-culties and showed that even with the best intentions there is no easy formula to quench the demand and supply of weapons around the world. But Ronald Reagan came to office with a decision to rearm the United States and use arms transfers "as an essential element of the U.S. global defense posture and an indispensable component of foreign policy," as Mr. Pierre says.

A White House policy statement of July 9, 1981, concinded, "We will deal with the world as

it is, rather than as we would like it to be," after arguing that there was an increased need to ship arms so as to bolster U.S. interests without directly committing more American force abroad. Now foreign military aid alone, not including private commercial transactions, steadily runs

almost as high as foreign economic assistance. In fiscal 1986 there was \$8 billion in U.S. economic aid, including \$1.6 billion in "food for peace," which helps cut agricultural surpluses, and \$6.2 what heap cat agricultural surpluses, and 30.2 billion in military aid. The figures for 1937 are \$8.2 billion in economic aid, including \$1.5 billion in food and \$6.2 billion in military aid; 1988's reduced budget request is for \$7.8 billion in economic aid, of which \$1.4 billion is food and \$5.8 billion is military aid.

Soviet figures are not available, but Moscow is known to be far readier to ship weapons than to finance development. Even after most of the "liberation wars" that it supported around the world had ended, the Kremlin was sending weap-

ons abroad at increasing levels. Many other countries also take part in the trade. The spigot is wide open.

This militarization of international relations,

even when countries have no plans to fight, has to be alarming besides its depressing effect on economic and social development. It makes countries feel less secure, not more, and it usually inhibits efforts for political settlement of inevitable conflicts of interest.

Taken one by one, the arguments for updating and bloating arsenals often look reasonable in terms of regional rivalries and internal tensions. Added up, they look sheer crazy. The record shows that eager suppliers can reap the whiri-wind rather than political rewards. Iran, in

wind rather than pointed rewards. Iran, in
American experience, and Egypt, for the Russians, are only the most blatant examples.

Now that Washington and Moscow are edging up to serious talks again, which will have to include regional issues and preferably sconer rather than later, it is time to think of another approach to restraining arms transfers. It is hard but it is not impossible. Such transfers have come to be above all a political tool. Politics can find a better way to favor friends and show concern. The New York Times.

But 'Arms Sales Were the Best Part of My Business'

By Said K. Aburish

This is the first of two articles.

T ONDON - The Iran arms scandal has introduced the public to the shadowy world of the Middle East intermediary — people like Manucher Ghorbanifar of Iran and Adnan Khashoggi of Saudi Arabia.

What exactly is an intermediary? The intermediary's job is to help grease the skids for his client. That is especially true in the arms business, which represents over 30 percent of the national budgets of the countries of the Middle East, The intermediary tries to provide the company he represents with an advantage over its competitors by

powerful — a king, a president, a sheikh, a minister or a relative of theirs - in exchange for a commission that is shared by the intermedi-

ary and his political patron.

I know this business. I spent 12 years as an intermediary, handling everything from sale of railroads in

Baghdad to supplying school furni-ture to Kuwait and Saudi Arabia. And I sold arms, Indeed, arms sales were the best part of my business, since the commissions tended to be higher. On a non-arms deal, the DANGER

ware" -- uniforms, tents, boots, helmets, that sort of thing.

I never sold arms to Iran, but I did keep an eye on the Iranian arms purchasers who regularly visited London. Despite the backwardness of the Khomeini regime, its representatives proved clever businessmen. They have approached governments as far away as Argentina to try to buy jet trainers and fit them with Sidewinder missiles. They have obtained SAM-3 missiles from the People's Republic of China, only to discover that the guidance systems were ineffective. And they have negotiated for surface-toair missiles that would marry Israeli guidance-system technology with South African hardware. The Iranians have devised some

typical commission averaged 5 per-

cent. When exotic military hard-

ware was involved, the commission could go as high as 15 or 20 percent. I sold arms to Iraq. In fact, I was part of the team that negotiated

Iraq's first big arms deal with the West, when it purchased Mirage

fighters from France in 1977. The

total commission on the Mirage deal was to be \$50 million, split

among six people, but it was never paid in full. Later I was involved in

the sale of British helicopters, in which a commission of £3.6 million

was split four ways. Since the start of the Iraq-Iran

war in 1980, I have helped sell the Iraqis what arms dealers call "soft-

clever ways to finance arms purchases through oil sales. I am told of one deal where a Scandinavian refinery paid \$700 million for Iranian oil. The refiners deposited the money in a bank account in Switzerland, where it was available to finance arms purchases. The presence of the money in Switzerland

cal judgment, however, is mortal, Not

alone among former Soviets, he is

strong on commitment, weak on his-

tory. That combination has made a

sad mark on Jewish emigration. Once

measured in the tens of thousands, it

languishes in the hundreds now.

up in Loudon recently and offered a huge shipment of caviar to a large British retailer. The British firm re-

intermediary territory. The region was shocked into joining the 20th century by the accident of huge oil of wealth, there has been near con-

The writer has worked as a consultant on Middle East business for 12 years. He is the author of "Payoff: Wheeling and Dealing in the Arab World," from which this article was adapted by The Washington Post.

who might otherwise have refused to respond to Iranian inquiries. In their rush to buy weapons, the Iranians have even tried to barter caviar. One of their agents showed

jected the deal, saying that it would take decades to sell the stuff. The Iranians may be using arms deals to finance terrorism. I know of several cases in which the purchase agreement on a weapons sale to Iran stimulated that a small percentage be transferred to other accounts in Switzerland. When suppliers asked they were told that no, the accounts

were to be used to finance pro-Iranian groups in the Middle East. Today's Middle East is natural wealth. In addition to this explosion stant political turmoil. The Arab-Israeli conflict and the Iran-Iraq war promise to prolong the corrent instability far into the future.

These two influences - wealth and war - make the Middle East a blazing torch that attracts caravan after caravao of sharp-talking interdealers. This situation began in the early 1970s when the massive increase in oil prices gave the words "Middle East" and "Arab" a new and special connotation in countries as distant as Taiwan and Brazil. By the mid-1970s, practically every major company had an intermediary promoting its interests in every Middle Eastern country.

satisfied doubtful arms suppliers

Emigration Diplomacy Requires a New Flexibility

WASHINGTON — Natan (for-y Anatoli) Sheharansky, the noble Sovie. Jew who fought his way to freedom in Israel, advises Americans to hang tough with the legislation restricting Soviet trade and to beware of an effort by Mikhail Gorbachev to buy back into the American technological flow by to-ken Jewish emigration. Mr. Shchar-ansky is reinforcing an American tendency to excess that has had a

Gorbachev Runs the Same Old System

AST month, Anatoli Marchenko died in Chistopol prison of a hunger strike. Four years before, in the same prison, I went on a similar strike. Mr. Marchenko was allowed to die. I was not. The West must ask what has changed in four years. In my case, the anthorities faced an

overwhelming show of Western con-cern for my freedom and well-being. In Mr. Marchenko's case, they were convinced that no serious response

LETTERS

Violence, Did He Say?

Regarding "Why the United States Denies Visas" (Dec. 16) by Jerome C. Ogden, deputy assistant secretary of state for visa services:

Section 29 of the U.S. Immigration and Nationality Act states that a person can be refused entry into the United States for advocating violence as a means for achieving political ends. But the U.S. government itself advocates violence to achieve political ends. It is hard to imagine a better example of that than selling weapons to Iran to obtain the release of hostages. Section 29 is a hypocritical pretext to keep undesirables out.

MARK HUNTER. Montpellier, France.

The Quality of Life James Michener, in "Last-Ditch

Remedies for an Ugly American Decade" (Jan. 7), hits on much of what has soured in America, and does so with style and sensibility, I hope a copy has reached the Oval Office.

DEBRA L. RIEBMAN.

By Stephen S. Rosenfeld

and on Soviet-U.S. relations overall. His moral credentials, built on per-sonal struggle and fidelity to Jews still denied emigration, are overwhelming; and it is understandable that someone who won a heroic contest of wills with the Kremlin would see the rescue of other Jews in terms of continuing that contest. His politi-

The West has yet to produce a

thought-out response to the policies of Mikhail Gorbachev, and it is hesi-

tant therefore to make any response

at all. Mr. Gorbachev has covered the

Iron Curtain with a softer curtain of

words and gestures. But the West must recognize the new Soviet dicta-

tor for what he is. He is not working

for the demise of the Soviet system of

repression. On the contrary, he recog-

nizes that certain changes must be

made to preserve that system.

The Soviet Union is in desperate

need of Western credit, trade and technological and scientific know-

now. But Western pressure to adhere

to the fundamental principles of hn-

man rights has until now prevented it

from establishing such ties. Mr. Gor-bachev is the first Soviet leader to

fully recognize this connection and to

grasp the importance of Western

public opinion. He is willing to take

the minimum steps to appeare this opinion and establish economic ties.

How far be will go depends on the

Some confused Westerners sugge

that Mr. Gorbachev and the KGB are

acting at cross-purposes. Nothing could be further from the truth. The

Soviet leadership is simply balancing

a relaxation of pressure in certain

specific areas with an overall tighten-

ing of pressure on dissidents and hu-

man rights activists. What is needed

is a carefully formulated program of

concessions that Moscow may make

- From an apinion column by Natan Shcharansky in The New York Times.

Western response to his gestures.

Robert Cullen recalls the history in the winter issue of Foreign Affairs magazine. As the first drive for detente got under way in the early 1970s and as the Carter presidency offered a second chance in the late 1970s,
Museuw sought to open up trade a m
relations in general by permitting big
waves of Jewish emigration. Other would be forthooming. Their assessment has proved to be accurate. How have they managed to silence the outcry that would have been raised at the death of such a promithings were always going on, but the Jackson-Vanik amendment, linking trade explicitly to emigration and mandating what Moscow took as an nent dissident only a few years ago?

intrusive and unacceptable public kowtow, helped level both waves. It is necessary to be precise here. Permitting some emigration is no big problem for the Kremlin, which is accustomed to bargaining in human coin. But the American law as written and administered requires a measure of public Soviet acknowledgment of the reach of American legislation into a sensitive internal policy area. This was an insuperable problem and

I suspect that it still is.
Enter Mr. Shcharansky (see extract at left) asking the U.S. Congress to condemn Mr. Gorbachev's approach to emigration and to reaffirm the Jackson amendment. Demanding the early exit of all 400,000 Soviet Jews counted as wanting to leave, he warns against "a premature cancellation of the amendment in return for the emigration of even all 30,000 Jews now igible to emigrate."

Mr. Cullen is more careful He identifies as the particular culprit the Jackson clause requiring the American president to certify, in order to waive trade restrictions, that he has "received assurances" on emigration from Moscow, The Jewish mainstream groups lobbying for emigration are reluctant to grant that this clause is mischievous. But it is, Without it, an emigration-trade link would remain in the law but the test would be Moscow's actual performance on

emigration: letting people go.
In the 1970s many people felt that specific and limited responses to any Moscow was so hungry for American technology that it would swallow its anger (this factor was often underdeliver up the emigrants, and if Mos-cow did not deriver, it deserved to be punished. Mr. Shcharansky has an mmense emotional investment in this view. So do many Americans, including those who are more aware than he of the amendment's spoiling effect on emigration and on Soviet-American ties across the board.

This is the second decade of experience with the Jackson amendment. Few would argue that Moscow is now readier to be humiliated. But the Kremlin is better placed to keep by the Jackson amendment. It trades with third countries. It spies. With Andrei Sakharov back in Moscow, it can better resume official exchanges. Mr. Gorbachev is trying to spur Soviat science by his policy cha any case, making do with second-class science is always, for Russians, an acceptable fallback position.

Mr. Shcharansky is a hard man to say no to on Soviet Jewy. His mora

right tends to intimidate those in the key mainstream Jewish lobbying groups and in the Reagan adminis tration who worry about tactics. Bu a new flexibility is plainly neede to stir Jewish emigration, and M: Shcharansky is not helping,

The Washington Post.

Banks on Solidarity By Jim Hoagland

Camdessus

PARIS — Michel Camdessus, a Gascon of soft charm and quick insight, arrives in Washington this week to take charge of the International Monetary Fund and become a major player in the expanding world of economic diplomacy. He gives no hint of saking himself if he

has bought a ticket on the Titanic. As any smart public servant would Mr. Camdessus arrives publicly stressing continuity and privately thinking about the wrenching change that could come to the world econo-my and the IMF in the five years he will head it. The key change that he has to fear is that the United Street

has to fear is that the United Stries will turn into a major problem for the fund rather than its chief helpante.

Mr. Camdessus, the outgoing governor of the Banque de France, becomes the IMFs seventh managing director on Jan. 16. He will have much to say about whether U.S. banks get back the mountains of dollars they should out in large lars they shoveled out in loans to developing countries in the 1970s, whether the dollar soars or plunger on exchange markets, and whether today's smothering trade deficits become a structural feature of the world sconomy. For he will be presiding over an international organization that his predecessors have moved from the fringes to the center of global economic decision-making.

Mr. Camdessus, 53 and an administrator by training rather than a financial technician, comes superbly prepared to deal with the debt crisis, A fluent Spanish speaker who under-stands Third World economies and politics, he is likely to be effective in continuing the fund's heavy involvement in Latin America and can he

expected to expand it in Africa, He honed his skills as a financial diplomat in winning over a French monetary establishment initially skeptical about his lack of technical experience and about his links with the Socialist finance ministers who appointed him to a series of top jobs after 1981. Now he will apply these skills to reducing the tensions that have developed as the IMF has be-come a lightning rod for criticism throughout the Third World because of the austerity plans it has imposed as conditions for debt rescheduling. The uncharted waters for Mr. Camdessus lie more in Washington,

and in the continuing failure of U.S. leaders to find effective ways to deal with the U.S. budget and trade defi-cits. He will not be belped by Paul Volcker's retirement as chairman of the Federal Reserve in August. As Senator Daniel Patrick Movni han observed recently, history is likely to record that "in the 1980s Ameri-

ca borrowed a trillion dollars from the Japanese and gave a party." At about the same time, Karl Otto Pohl, president of the Bundesbank in West Germany, warned that the United States was behaving like a country with a budgetary surplus rather than the debtor nation it has become, and that the dollar was nearing "a crisis of confidence" as a reserve currency. It is revealing that Mr. Camdes

lists protectionism just after debt as the most urgent problem facing the IMF. While he does not lay out his thoughts on the subject fully, his remarks suggest that he fears that strong political reaction in the United States to the U.S. trade deficit could provoke protectionist responses that would choke off the exports that the Third World needs to sell to

pay off American banks.

He makes this point by lavishly Treasury Secretary James hakers "growth-oneated strategy" for resolving the debt problem. He agrees that "these countries have to grow to make their payment of debt through the exports of goods and services. And they have to be giv-en the means of financing growth" through continued free trade.

U.S. relations with the European Community and Japan, a U.S. protectionist tide could also severely damage the prospects of achieving that the seven major industrialized countries endorsed in Tokyo last May as the key to restoring world economic growth. Mr. Camdessus will be working to hold the seven countries to their pledge to come up with a strategy based on common economic indicators, and he will bring fresh enthusiasm for the discussion of currency target zones as a way

no longer work alone."

1912: Japan Responds

the Herald's correspondent at Peking about Japan are farcical. It says: "Japan is consistently neutral. She has refrained from backing the Chinese Republicans, fearing the effect of such action upon the Japanese mind, and has not backed the Imperialists, fearing a Republican boycott. Japan, moreover, will be the first to suffer economically from a split between rival Chinese states." The Japan Gazette says: "It is disconcerting to find [the Herald's] Peking correspondent ascribing to Peking political circles the belief that the Anglo-Japanese policy tends to the partition of the Empire between North and South, and is secretly supporting the revolu-tionaries. It will be difficult for the Herald to prove that either Great Britain or Japan favored either side."

WASHINGTON - Walter Lippdeclares that the allegations made by mann writes: | Senator Arthur Vandenburg, like most of us, would be glad to find a policy that is guaran-teed to keep the United States out of another great war. I wish I could believe that such a policy can be invented. For it is plain enough that if a European war breaks out, it will be so devastating that for generations to come Europe will be living in another Dark Age. The highest obliga-tion of the United States is to see that the Western Hemisphere remains at peace, providing a sanctuary for the heritage of civilization. But if we are to succeed in that purpose, we must not begin by flattering ourselves that it can be accomplished by the simple and easy device of passing some new

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With new trade friction bedeviling

of reducing exchange rate volatility.
"These could be five difficult years," he says. His one big advan-tage, be adds, "is that everyone now knows that no one can resolve these problems alone. Even the biggest countries have understood they can

1937: Armed Neutrality

The Washington Post.

IN OUR PAGES, 75 AND 50 YEARS AGO

TOKIO - The newspaper Yominri

statutes. In the next war we should at the outset go on a war footing in order to preserve neutrality.

INSIGHTS

Florentine Sage Wrestles With Sense of Betrayal Over Iran Arms Affair

The American people are so deeply

few days they destroyed or at least

committed to fighting terrorism that in a

of the most popular postwar president.'

fundamentally compromised the popularity

By Roberto Suro

New York Times Service

LORENCE — Guard boxes that look like telephone booths have sprouted in

the olive groves around Giovanni Spa-dolini's hilltop villa. Men in gray fatigues lead

big black dogs on patrol through a landscape that served as a backdrop in many hundreds of

Renaissance paintings.

For Italy's defense minister, terrorism is not

an abstract threat, and like many European

leaders Mr. Spadolini has responded rather

personally to the news that the Reagan admin-

"The strength of American democracy is its ability to correct its mistakes," he said dryly

Since the first disclosures in November, Mr.

Spadolini has been blunt and outspoken in

stating that the Iran arms affair has seriously

damaged the West's anti-terrorism efforts, and

he has coldly analyzed its impact in the Middle East, particularly on the moderate Arab gov-

B UT there is another aspect to his reac-tion. Mr. Spadolini was prime minister when the Italian government gained the

apper hand over domestic terrorism in 1981

and 1982. He is often depicted as a forthrightly

pro-American politician. The Iran arms sales

seem to have left him feeling a bit betrayed.

"All Europeans who have fought against ter-

rorism and have suffered many personal

threats, as I have, could not avoid a sentiment

of censure toward the American initiative," he

said, speaking slowly and staring down across

the countryside at Florence's domes and

By Michael Dobbs

Washington Post Service

A has lived through a revolution. In the space of a single generation, he has witnessed the destruction of a way of life that

For as far back as anyone around here can

recall, the Mehsins have been a family of boat

builders. Their specialty was the tarada, a sleek,

high-prowed cance used by Arab sheikhs to

Today, the sheikhs have been dispossessed

For better or for worse, a society that has attracted the interest of writers, explorers and

anthropologists is on the verge of extinction.

The 20th century forces of economic develop-

ment, war and oil exploration have finally

caught up with the marsh Arabs.
The social and economic revolution that has

taken place in the marshes of southern Iraq is

the kind of event that rarely makes headlines. But it is arguably just as profound as the media-

saturated political upheavals in countries such

as the Philippines and South Africa. It is cer-

"In the old days, this whole area was covered by water. We lived in houses made of reeds.

There were no roads and no solid buildings.

Everybody used boats to get about," said Mr.

Mehsin, whose skill as a craftsman made him a

revered figure among the marsh people. "All

is filled with automobiles. Garish advertise-

ments for modern consumer goods are pasted

to the walls of houses. A squadron of French-

built Iraqi jets roars overhead, returning from a

NCE part of old Sumer, one of the earliest civilizations in the Middle East, Al Huwair now looks like thousands of

other Third World villages. Canals have been

replaced by roads. Workshops where bearded

Sabacan craftsmen used to labor over canoes

have been turned into teahouses. The village

has been cut off from the great marsh that was

the reason for its existence just a few years ago.

handed down from generation to generation,

will probably die with Mr. Mohsin. One of his

sons has become a teacher. The other is a

the marsh Arab way of life has come from an

inveterate British traveler, Wilfred Thesiger. Educated at Eton and Oxford, Mr. Thesiger

lived among the marsh people for seven years in

chnician with the ministry of agriculture. Perhaps the most remarkable description of

The art of building the tarada, which was

The street outside Mr. Mehsin's procesy store

paddle around the marshes that stretched

dates back five or six thousand years.

across southern Iraq into Iran.

grocery store.

tainly irreversible.

that has changed.".

bombing raid against Iran.

L HUWAIR, Iraq — Haji Abdul Mehsin

during an interview on a recent afternoon.

Disillusionment" is the way he described his initial response, and now his thoughts focus on

istration secretly sold arms to Iran.

the need for remedial action.

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nrban rate for the first time.

Occasionally, too, individuals strike out vio-lently against others. In December 1985, a fi-nancially troubled farmer in Lone Tree walked into the local bank to cash a check. The teller knew the man. Not so long ago, that would have been enough security. But small-town banks have been troubled, too, and threatened livelihoods breed cantion. The check was not approved. Within an hour, that farmer, once an affluent pillar of the community, had killed his wife, the bank president and a neighbor. Then

Apart from the violence that makes headlines in the cities, the evidence of social decay is quietly mounting. "We're swamped," said Peter Zevenbergen, who runs a mental health clinic near Lone Tree. Overworked professionals now concentrate on training cadres of "peer listen-

Joan Blundall, a counselor in northwest Iowa, tells countless stories of social and financial stress: the young family that lives on \$9,000 a year and works 16 hours a day, and is fighting

to maintain even that hard life; the families who stop attending church in financial embarrassment; the men who played on the same high school football team but now never speak; the teen-ager who refuses to answer the telephone —he fears, she says, that the caller will want his father and that his father will kill himself out in the barn.

hesitation in saying that the recent revelations have had "a very great negative effect in Europe" among those who thought they had an ally in the Reagan administration.

عند من الأمل

In the aftermath of the hijacking of the Italian cruise ship Achille Lauro, Mr. Spadolini, like President Ronald Reagan, denounced Prime Minister Bettino Craxi for freeing Abul Abbas after United States Navy jets forced the airplane carrying the Palestinian and five other hijackers to land in Sicily.

R. Spadolini even resigned in protest, bringing down the government. Although Mr. Abbas was later convicted in an Italian court of masterminding the hijacking, the Achille Lauro affair is generally regarded as a political loss for Mr. Spadolini.

Mr. Craxi portrayed himself as defending Italian sovereignty against American arrogance, and his popularity soared. Mr. Spado-bni, finding himself alone, eventually agreed to rejoin the government

The Achille Lauro episode, with all its overtones, still prompts an excited response from him. Most of Mr. Spadolini's answers to questions are carefully formed and delivered in complete sentences, sometimes with the punctuation included, as if he were dictating to a stenographer.

American people are so deeply committed to fighting terrorism that in a few days they de-But when he is asked how he feels about having supported the United States during the crisis now that he knows about the secret deals with Iran, Mr. Spadolini interrupts, bellowing

> Catching his breath, be adds, "I acted out of principle," and recalls his long-standing opposition to negotiations with terrorists.

"There was no connection directly or indi-rectly with the United States," be said, and

then, with just a hint of sarcasm in his voice, he recalls that the Reagan administration moved quickly to patch up its relations with the Craxi

N the 1960s, Mr. Spadolini, a lifelong bachelor, built his villa next door to his family home in order to accommodate a book collection that he started as a teen-ager and that continued to grow through subsequent careers as a history professor and a newspaper

Most of the 55,000 volumes he now owns are about Italian history over the past 200 years. Some of the shelves are filled with his own

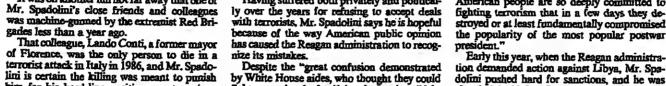
One of the subjects that Mr. Spadolini, 61. has been writing about since he was a student is the political history of his hometown. In a book blished 10 years ago, he wrote, "Florence has been marked out in every period by its sense of the real, by an aversion to fairy-tale-like or metaphysical fantasies."

The same passage noted that the many governments of Florence, in the attempt to adapt themselves to human reality, put their own inadequacies to the test every time and never aspire to the categories of the absolute."

It is with this same awareness of limits and of reality that Mr. Spadolini now assesses the Iran arms furor. There is little recourse to moralizing; good sense provides criteria enqueli-

He worries that the next few months could prove dangerous, with the United States suffering diplomatic paralysis. But Mr. Spadolini, an admirer of Benjamin Franklin, said. The American political system with its checks and balances should be able to find a way out that allows the administration to take the initiative

Then, with a Florentine sense of realism, he added. "This is a wish - not a certainty.



Despite the "great confusion demonstrated White House aides, who thought they could fight extremism by fortifying the Iranians," Mr. Spadolini says he believes Europeans can again join forces with the United States because "the

Having suffered both privately and political-

the popularity of the most popular postwar Early this year, when the Reagan administration demanded action against Libya, Mr. Spadolini pushed hard for sanctions, and he was

ahead of the United States in demanding action Each of these stands had a price for Mr.

--- Giovanni Spadolini

In Iraq, One of the World's Earliest Civilizations Is Pushed to the Brink of Extinction

join the guests at the banquet. The leftovers are then divided in turn between junior relatives, women, children and animals,

After lunch, Mr. Mishaal invites his guests to explore a network of canals that is all that remains of the swamp. Everybody climbs aboard a flat-bottomed reed boat powered by an outboard engine. The former sheikh shouts orders from the prow as a Japanese journalist snaps pictures of reed huts. An official from the Ministry of Information clings to the sides of the boat, anxious not to soil his neatly pressed

TANDING on the banks of the canals, groups of marsh Arabs gather to watch the curious procession go past. Children punt rafts through the bulrushes on their way home from school, moving their arms in the slow, graceful motions learned from their ancestors. Water buffaloes wallow in the water, occasionally nudging the sides of the boat.

Geese cry in the distance as wisps of smoke

from burning reed beds twirl into an endless. brilliant sky.

The apparent timelessness of such scenes serves, in a paradoxical way, to point up the revolution that has occurred in marsh Arab society. Perhaps the most startling changes are visible at the local secondary school, where idien who might once have been content with spending their days in the marshes now dream of life in the cities.

A class of 15-year-olds mentioned occupations such as "airline pilot" or "engineer" when a visitor asked what they would like to become after leaving school. None of the children wanted to be a fisherman, the traditional occupation of the marsh Arabs. One girl put up her hand when the class was asked if anyone would like to be a farmer - but she corrected the job description to "agricultural engineer."

The flight from the marshes was condemned by Mr. Thesiger, who described as "pitiful" the belief that a "meager education" could open the door to fame and fortune.

They did not realize that there were hundreds of thousands of others in Iraq with the same qualifications. In fact, if they left home, they probably ended by selling newspapers or Coca-Cola in Basra or Baghdad, as well as stealing from cars and pimping for taxi drivers to keep alive," Mr. Thesiger wrote in his book The Marsh Arabs "

Such comments may contain some truth. But they have made Mr. Thesiger an unpopular, much-derided figure in a country whose entire ideology is based on the abstract notion of progress. He is now routinely accused of being anti-Arab." despite the fact that he wrote about the Arab way of life with considerable

sympathy.

"He failed to understand our dreams, our ambitions," said Mr. Mishaal in perhaps the most damning criticism of the chronicler of marsh Arab traditions. "He thought we should remain as we always had for centuries."



It was on another hill not far away that one of

Marsh Arabs, whose way of life is dying out, poling canoes across the

KUWAIT

shrinking waterways of southern Iraq.



a quixotic attempt to escape the pressures.of

modern civilization.

Recording his impressions after a first visit to the marshes in 1951, he wrote: "A naked man in a cance with a trident in his hand, reed houses built upon water, black, dripping buffaloes. . . stars reflected in dark water, the croaking of frogs, canoes coming home at evening, peace and continuity, the stillness of a world that never knew an engine."

Mr. Thesizer's portrait of the marshes as a water garden of Eden is contested by many Iraqis. The ruling Beath Socialist Party, which has made an ideological obsession out of economic development, regards the centuries-old way of life of the marsh people as hopelessly obscurantist. It even discourages use of their traditional name, the Madan, calling it synonymous with backwardness.

Since the 1968 revolution, stremuous efforts have been made to end the isolation of the marshes. Schools, health clinics and electric

pylons began to sprout across the watery landscape. Schemes proliferated for draining the marshes to create millions of extra acres of

fertile agricultural land. Further disruption has been caused by the six-year-old war with Iran. Much of the area has been transformed into a military zone — with Iraq's defensive requirements dictating the nature of engineering works. Parts of the marshes have been flooded to impede an Iranian invasion. Other areas have been dried to create extra defensive depth for Iraqi troops. According to local officials, about 75 villages in the "eastern marshes" near the border have

been evacuated for fear of Iranian attacks. Some of the evacuated marsh people were given new, prefabricated housing in Al Huwair. They have now been told that they will proba-bly have to move again. Valuable oil deposits have been discovered in the region.

Thasmar Swaalem Mishaal comes from a family of sheikhs. A distinguished-looking figure in his black-and-white checkered headdress, he projects a natural authority. His ancestors owned large tracts of land in the marshes and exercised considerable political and judicial power over the population.

IKE other sheikhs, Mr. Mishael virtually has been co-opted by the government.

He is treated with respect and has been named an official of the local agricultural cooperative. In return, he is expected to provide enthusiastic support for the government's de-

velopment plans.
"The past was dark but today is light," pro-claims Mr. Mishaal, welcoming visitors to his mudhtf, a traditional guest house built of giant reeds, in the shape of a Quonset hut. "We were cut off from the outside world. We had no electricity, no education. Today, we have everything we need.'

Sitting squat-legged alongside the reed walls of the mudhif, beneath a portrait of President

Saddam Hussein, are Mishaal's brothers, sons, uncles and cousins, about 40 persons in all. They nod gravely as he tells anecdotes about the bad, old colonial days when the tribe conducted hit-and-run raids against British military garrisons, darting in and out of the

Mr. Mishaal's mudhif, with its reed pillars shaped into horseshoe arches, is firmly on dry land. But it performs a similar function to the traditional mudhifs floating on islands in the marshes. It is both a meeting place for the villagers and a hospitality suite for visitors. Guests are first served fresh coffee, very

strong and bitter. Then come plates of roast iamb, curds, fruit and vegetable curry laid out on the rugs on the floor of the mudhif. Two whole sheep's heads are plonked down in front of the visitors, evidence of the clan's wealth as well as proof that the animals have just been

As is customary, only senior family members

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On U.S. Farms, a Depression of the Soul

By Andrew H. Malcolm New York Times Service

ONE TREE, Iowa -- Winter is a stark time in the nation's countryside. The fields, so full of green life and golden promise last summer, are dark and empty, resting now. The winds are here. The nights are long. And the snows are coming.

The farming cycle is continuing as it has for

generations, and farmers are paying annual bills as they traditionally do around year's end. But in the fifth year of the worst agricultural depression in a half-century, farmers and townspeople alike are feeling the fraying of bonds and assumptions and values that long The Middle West has historically been Amea-

ica's balance wheel, producing the food, the workers, the inventions, the exports and half of the presidents since the Civil War. The ideal of the close-knit, hardworking family schieving independence and social standing has its roots in the agrarian reality of the 1800s.

The family is still the foundation of American farming. Ninety-seven percent of all farms are run by individuals, couples or partnerships that usually involve close relatives. Just 3 percent are run by corporations, and most of those But the number of farms fell 9 percent from

1975 to 1985, and the number of farms with less

than \$20,000 in yearly sales declined by more

than 60 percent. Thirty percent of farms are owned by people over 65, and only 6 percent by people under 35, indicating a flight of the

West many farmhouses stand empty and dark; small towns are freckled with boarded-up stores. These are mute evidence of the forced migration of many families to a new way of life in the cities, leaving the land to be rented, often by their former neighbors, from corporate mortgage-holders. Rural organizers who are

In the fifth year of the worst agricultural depression in a halfcentury, farmers and townspeople alike are feeling the fraying of bonds and assumptions and values that long sustained them.

working for new programs to protect family farms contend that such absence owners cannot have the family's sense of stewardship of

ing is high. Farm crisis hot lines are busy with calls from frightened people asking for legal advice on how to keep the land that, in many cases, has been in their family for generations. Reinciantly, many families are also looking for help in coping with alcohol or drug addiction, physical abuse or suicide threats. Last spring the rural suicide rate in Minnesota equaled the

ers," men and women who volunteer to combat the isolation and despair by listening to neighbors' troubles.

She says she has found a common theme in the nightmares of many youngsters there: the image of huge, noisy trucks coming to hand away not only the family's goods but also the

Rection Appe

@Exchange-

Documents Show Differences Between U.S., Israel on Iran

By Glenn Frankel Washington Past Service
JERUSALEM — Contradictions between the Reagan administration and Israel over its role in the White House's secret Iran arms deal have been brought into sharp focus by disclosures from a draft of a Senate intelligence committee re-

port on the affair. The draft report's most startling claims concerning Israel are that Amiram Nir, an aide to Shimon Peres, who at the time was prime minister of Israel, first suggested to White House officials that profits from arms sales to Tehran be funneled to the rebels in Nicaragua, large shipload of Soviet-made arms diverted to the contras, that Israel to the rebels.

The report, details of which were made public Saturday, alleges that an Iranian arms merchant agreed in April that payment of \$17 milwould be deposited by the Iranians into an Israeli bank account in Switzerland. The report says that and ally should act." the Israelis would then transfer some of the money to the United Israchi radio.

The report does not state what Israel planned to do with the remaining money, but the implica-tion is that Israel may have used the money to pay for arms shipments

The disclosures in Israel about the report were contained in an account broadcast here by Israeli radio's Washington correspondent, who had access to a copy of the draft and cites specific pages that contradict previous Israeli statements on the affair.

The essential contradiction between the Israeli and U.S. versions of events remains the Reagan administration's claim, as depicted in the draft, that Israel was the prime instigator and key player in the arms-for-hostages exchange with

In this role, the draft says, Israel provided everything from go-betweens, intelligence data and transportation to the cake carried tional security adviser, as a sign of

is that it played only a minor, supporting role to a powerful ally at a

A spokesman for Prime Minister disclosures as "self-serving, distort-ed and unauthorized leaks" and repeated Israel's earlier denials that the government had any knowledge who was dismissed over the affair. not aware of them. that profits from the sales were



ever shipped arms to the rebels or that any Iranian payments for the arms passed through Israel.

"As far as we are concerned, we acted at the request of the United States in order to help the U.S. after being asked to do so," said the an. "We acted like a friend

Mr. Peres, who is now foreign minister, said Saturday in Rome States, according to an account of that the United States approached the report broadcast Saturday on Israel about arms sales to Iran and that Israel was never involved in directing money to the Nicaraguan

rebels, Reuters reported. "I'm patient to wait until the full picture emerges," he said. "I feel our case is strong enough."

Israeli sources noted that all of these claims come from testimony by administration officials who have a clear interest in portraying Israel as the villain of the Iran affair. They also point out that the claims contradict Israel's account

of its role in the Iran affair. Mr. Nir, who served as Israel's representative in the U.S.-Iranian Hawk missiles aboard for a flight dealings beginning in December 1985, could not be reached for comment. In the past he has re- ard V. Secord, the retired air force fused to discuss his role in the affair and Mr. Shamir's spokesman said it was unlikely the government would permit Mr. Nir to speak on

was director general of Israel's Foreign Ministry and Mr. Peres' first to Tehran in May by Robert C. envoy to Washington on the Iran bels, Elliott Abrams, assistant sec-McFarlane, the former U.S. na- arms deal, also refused to com-

Another Israel's contention, by contrast, cl's leaders believed Mr. Nir's conwhen he said, "I denv it." tention that he knew nothing of the contra connection and that no ref- said recently that Portugal had erence to the contras appeared in any of Mr. Nir's detailed reporting shipment point for arms to the con-Yitzhak Shamir characterized the on his meetings with American officials, including those with Lieu-tenant Colonel Oliver L. North, the National Security Council aide authorized any such flights and was

It was Colonel North, according

to the report, who told Attorney General Edwin Meese 3d that Mr. Nir had been the one to first suggest that profits from the arms sales be funneled to the rebels.

The draft report calls the Iran connection "an Israeli initiative." Sources here contend it was the administration that first approached Mr. Peres to request Israel's help in opening new links to Iran and in freeing American hostages held by pro-Iranian Shiite Moslems in Lebanon.

Mr. Peres, according to sources here, turned to Israeli arms mer-chants with former links to Iran, who in turn went to Iranian arms lealers with ties to the Khomeini government. The result was a proposal for an arms-for-hostages exchange that Mr. Kimche presented to the White House in July 1985. The dealings began that fall.

The draft offers support for Secretary of State George P. Shultz's claim that he urged caution or opposed arms sales.

It cites an undated communic tinn from Mr. Shultz tn Mr. McFarlane on Israel's offer to set up the arms connection.

"The danger is that our interests are not necessarily the same as Isra-el's," Mr. Shuitz said.

(Continued from Page 1)

to fly from Lisbon with arms for

the contras, as the Nicaraguan re-

The colonel, congressinnal

sources said, considered unloading

these arms and then putting the

to Iran. But this idea was rejected,

because Colonel North and Rich-

general involved in the supply net-

work, both decided that the

planned delivery to the contras

North or other administration offi-

cials had been involved in arms

shipments to the Nicaraguan re-

retary of state for inter-American

affairs, echoed the remarks of sev-

A senior administration official

been serving as a primary trans-

tras. A spokesman for the Portu-guese Embassy in Washington said

Friday that his government had not

The investigators' knowledge of

Asked in October if Colonel

was too important."

bels are called.



Overturned British Truck May Have Carried Nuclear Arms

slipping through the cracks" in the Israeli and U.S. arms shipments to

As the arms sales operation was

beginning in September 1985, Colonel North requested that the Na-

tional Security Agency intercept the telephone calls and messages of

some of the main arms dealers and

middlemen, sources said. They said

this was because the White House

wanted to monitor the transactions-

In an era of microwave and satel-

lite transmission of international

telephone calls, the National Secu-rity Agency, a highly secret intelli-gence organization, has extraordi-nary abilities to intercept phone

conversations and other communi-

cations by using computers to sort

through information picked out of

Although the agency records do

not indicate that the missing mon-

ey was being diverted to aid the

contras, the documents demon-

strate that the Reagan administra-

tion had evidence it was involved

with some unreliable arms dealers,

Several sources said the congres-

most secret operations while refus-

ing to inform the intelligence com-

necessarily unusual about the miss-

the sources said.

Iran, according to a source.

A 20-ton military truck, having skidded off an icy road in western "security reasons" to say what the truck was carrying or where it

erated is sketchy. They have not,

for example, seen records from the

Swiss bank accounts where money

used to pay for the arms purchases

But investigators nonetheless be-

lieve, based on the evidence they

did obtain, that proceeds from the

Iran arms sales moved through a

Panamanian company called Lake

Resources. This company is linked to General Secord and his business

From there, some of the money

was used to buy weapons through Defex-Portugal, a trading company

with a registered agent in Portugal

They added that weapons were

then flown on flights supervised by

General Secord, who has refused to

testify before Congress, citing his

constitutional rights against self-

Bob Woodward of The Washing-

ton Post reported from Washington: Congressional investigators have

assembled National Security Agen-

cations that show millions of dol-

cy records of intercepted commi

congressional sources said.

■ Missing Millions

partner, an Iranian busines

named Albert Hakim.

England, was lifted upright Sunday by a crane. After the accident was going. There was speculation it was carrying nuclear Saturday, the road was sealed off and defense officials refused for weapons from a plant near Salisbury to a navy arms depot.

Burma Says IRAN: Some Arms Shipments Coordinated Through Portugal, Officials Say

The New York Times reported A retired Central Intelligence Agency official has confirmed to Senate intelligence committee that on a secret mission to Tehran last May, Robert C. McFarlane and his party carried a Bible with a handwritten verse from President

Ronald Reagan for Iranian leaders. According to a person who has read the committee's draft report, the retired CIA official, George W. Cave, said the group had 10 falsi-fied passports, believed to be Irish, and a key-shaped cake to symbol-ize the anticipated "opening" to

mission were first made known by the speaker of the Iranian Parliament, Hashemi Rafsanjani, on Nov. 4, when the secret operation first became known.

sional investigators were surprised to learn that the Reagan adminiswith information about one of its

Nevertheless, until the commit-A source familiar with the inter- not confirmed.

cepts said that National Security On Saturday, a senior State De-Agency analysts found nothing partment official independently confirmed that Mr. McFarlane, a ing funds because millions of dol- former national security adviser.

how the private supply network op-erated is sketchy. They have not. slipping through the cracks" in the viewed the intercepts and became suspicions that something unusual In Fighting was happening with the money. ■ Details of McFarlane Trip

RANGOON, Burma - More than 750 Communist rebels and Burmese government troops have ported in Hefei on Dec. 5. been killed during the past two months in fighting near the Chinese border, official reports said

The reports said fighting erupted Nov. 16 when a 1,500-strong Bur-mese Communist Party force broke an unofficial 16-year truce and launched a surprise assault on government positions in northeast

The Communists seized mountain camps at Hsi Hsi Wan and Ta Pang but were forced to withdraw when the government counterat-

tacked, the reports said. The reports, published in official newspapers, said 175 government soldiers and 591 rebels were killed. Burmese state radio said 18 ma-

Mr. Rafsanjani also said that the jor battles and 20 smaller clashes had taken place since November, that they had carried sets of Colt and fighting still continued with pistols as gifts. These details were government forces in pursuit of not know when Mr. Fang was ex-

.The radio, monitored in Bangtee's report began to circulate in kok, said the army sent two light - Shake-Up Is Reported Washington, all the Iranian asser-tions about the McFarlane mission east military command to recapwere either derided as fanciful or ture the positions and last week widened the battles by routing guerrillas from their stronghold at Kyuhkok on the Chinese-Burmese

The Communists are militarily lars frequently are siphoned off in did carry the Bible from Mr. Rea-commissions and other payments gan as an authentication for the groups who have been fighting the when large quantities of arms are group. But he said he was not sure central government since Burma sold or transferred.

group. But he said he was not sure central government since Burma about the cake, and he declined to gained independence from Britain gained independence from Britain

> China stopped providing sup-port to the Burmese Communists in 1980, forcing them to search elso-where for funds and supplies,

The sources said the Commu-Burma, Thailand and Laos.

China Assails Intellectual For Views on **Democracy**

RELITNG - An official newspaper on Sunday accused Fang Lizhi an outspoken academic whose lib-eral views on democracy have inspired participants in recent stu-dent protests, of trying to lead China toward capitalism. Mr. Fang about 50, a physicist who Chinese sources said was be-

ing expelled from the party in what could signal the start of a nationwide purge of "bourgoois liberals," was not named in a commentary by the Guangming Daily.

But the front-page article cited "a comrade who is vice president of

a university" as being among those advocating the "total Westerniza-tion" of China and the abandonment of socialism. Diplomats said the comm was obviously aimed at Mr. Fang.

who is vice president of the University of Science and Technology o China in the eastern city of Hefei. They said the fact that Guang-

ming Daily referred to him as "comrade" indicated that Mr. Fang had not yet been expelled from the party.

At least two other men, both

writers, are also expected to be expelled with Mr. Fang, a Chinese source said. The source said any sions would not be made until around Jan. 20, when Chinese stadents are on vacation. Mr. Fang's outspoken views on democracy have been cited on cam-

pus wall posters and by student The first of at least 13 reported prodemocracy demonstrations was re-

Mr. Fang later said he understood the frustrations of the students but did not agree with their methods.

A Chinese source said Dens Xiaoping, the paramount leader had ordered Mr. Fang's expulsion from the party along with two liberal writers, Wang Ruowang and Liu Binyan. The source said the expulsions could signal the start of a purge that would extend at least down to the provincial and ministe-

One of Mr. Fang's associates in Herei said in a telephone interview Sunday that the academic still holds his position as vice president of the University of Science and

· He said Mr. Fang was in Beijing after attending a science confer ence in the capital. He said he did pected to return.

A Chinese source said Beijing

bas begun a shake-up of senior pro-paganda officials being blamed for failing to counter Western ideas that have "poisoned the minds" of ington Post reported Sunday.

A Chinese who is usually well informed on such matters said that Zhu Houze, the head of the party's propaganda department, was in trouble and temporarily suspended from his duties following demonstrations that reached more than a dozen cities from Dec. 5 to 31.

The pro-Communist newspaper Wen Wei Po, based in Hong Kong, said Sunday that the propaganda department's information director; nists in recent years turned to the incrative but illegal opium and heroin trade, which prospers in the "golden triangle" border areas of Beijing, said that two new deputy directors had been appointed.

Herald Eribune Opening for Talks mmit Leaders Vow to Push le Seen in Moscow r an Economic Recovery

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Partugol	Бc.	19,000	10,400	5,700	Poleston	U5.\$	252	73	Н
Spoin	<u></u>	26,500	14,400	8,000	Philippines	US. \$	166	SI	Н
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Switzerland	S.Fr.	470	270	148		U5.\$	780	72	Н
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CONTRA: A CIA Role Is Alleged

But apparently investigators discuss the passports.

(Continued from Page 1) eral times that CIA officers did not on the charges, said Saturday that involve themselves with the continuelligence sharing could entras military activities. compass broad categories of advice

House of Representatives said ingrowing debate over whether the telligence sharing was only smp. CIA or National Security Council telligence sharing was only sup-cial or National Security Council posed to be a passive activity and aides violated the law in dealings tactical advice on how to use the most certain to be part of the broad information against the Nicara-investigations of the Iran-contra information against the Nicara-

The Reagan administration has told congressional committees sev-

RHINE: Report Optimistic

activist, said that the report had generally been welcomed in Basel, although it has been greeted with

"I don't want to say that the results of the study are nonsense," he said, "but there still are some open questions. Are the fish all dead or are they not? And another is that no one has measured how deep the dye went; did it go directly into the riverbed or not? Was there enough fresh water on the riverbed,

could the fish go there?" Restoring the river to its former state is one step, Mr. Imhoff said, but the goal should be improving its condition even more. Although Basel gets its drinking water from groundwater sources and tributaries instead of the Rhine, a decade of environmental efforts had improved its quality to the point that fishing and bathing were again

helped cleanse the river, how much of the river's ecosystem has actually survived. Only then, they said, will it be known how quickly the river can be restored to the point where it can support aquatic life, where their units by the so-called private to the mark and guilder. Revaluations of the river's ecosystem has actually had quickly learned what one legium and Denmark import the river's ecosystem has actually had quickly learned what one legium and Denmark import the river's ecosystem has actually had quickly learned what one legium and Denmark import the river's ecosystem has actually had quickly learned what one legium and Denmark import the river's ecosystem has actually had quickly learned what one legium and Denmark import the river can be restored to the point where it can support aquatic life, where the river's ecosystem has actually had quickly learned what one legium and Denmark import the river can be restored to the point where it can support aquatic life, where the river's ecosystem has actually learned what one legium and Denmark import the river's ecosystem has actually learned what one legium and Denmark import the river can be restored to the point where it can support aquatic life, where the river is a legium and Denmark import the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored to the point where the river can be restored t

The sharply differing interpretathe rebels.

Members of the Senate and tions of the congressional restricwas not supposed to include giving with the contras. The issue is alaffair by a special prosecutor and special committees in the Senate and the House.

> Funds from the U.S. sale of weapons to Iran reportedly were diverted to the Nicaraguan rebels. CIA officers in Costa Rica backed a successful effort to persuade some rebel commanders serving under Edén Pastora Gómez to abandon him and join the Amercan-backed contra group known as the United Nicaraguan Opposition, according to six current and former rebel officials. During a two-day meeting in San

Jose, the Costa Rican capital, in May, two CIA agents promised six Pastora commanders that they would receive weapons and supplies if they left Mr. Pastora immediately and jnined American-backed rebels — a long-held CIA goal intended to unite all guerrilla forces, the rebel officials said.

Besides wooing and then advising Mr. Pastora's former combat units, CIA agents in Costa Rica also appear to have been involved in weapon supply flights to rebel forces by American crews based in El Salvador.

Two Nicaragnan rebel officials said that CIA officers in Costa Rica had met contra military command
Dublin reportedly wanted a slight spring, when the water warms up told them not to make any direct value would rise as a result of the 3- and the winter snow runoff has requests for deliveries, they said. The two rebel officials said they and guilder.

aur crews.

MARCOS: Grand Jury Subpoena.

(Continued from Page 1)

was issued for his arrest. Federal authorities said they did not know

Sources said arrest warrants also have been issued for at least three others who did not appear: Edna Camcam, a close friend of General Ver; Imee Marcos Manotoc, a Marcos daughter; and Fe Jimenez, former social secretary for Imeida

Among those who have testified before the grand jury are another Marcos daughter, Irene Marcos Araneta, and two sons of General Ver, Rexor and Irwin Ver.

■ Manila Demonstrations Supporters of Mr. Marcos burned copies of the proposed con-stitution Sunday, and up to 30,000

onstration where speakers also denounced the draft charter, The Associated Press reported from About 700 riot policemen and troops, backed by water cannon; prevented about 5,000 leftists from

leftists cheered at a separate dem-

marching on President Corazon C. Aquino's offices at Malacatiang Earlier Sunday, 3,000 rightist importers of Mr. Marcos chanted Marcos, Marcos!" and "Set it on

fire!" as leaders tossed copies of the draft constitution into the flames during a rally in Quezon City. The constitution would set a six-year term for the president. It also would permit U.S. military bases to remain in the Philippines after

leases expire in 1991 if the two

countries reach new agreements.

EMS: Agreement Is Reported Near

(Continued from Page 1)

25, Bonn feared a political backlash from revaluing the mark. However, the realignment was

judged safe.

ers there, purportedly to share inmr. Imhoff and others believe it
telligence. They would ask the conwould remain unchanged against
the Furnment currence unit whose ers there, purportedly to share in- revaluation of the punt so that it will only become clear in the tras if they needed weapons, but the European currency unit, whose percent revaluation of the mark the Belgian and Danish currencies.

tion of the German and Dutch cur-

(Continued from Page 1) Danes reportedly fear domestic criticism for failing to defend their currencies and see a token revaluation as enough to ward off political turnoil at home.

Opposition to revaluation of the Belgian franc and Danish krone was led by France, officials said: Although France is willing to lose ground to the mark and guilder, it does not want to be seen as falling into a monetary third class behind

The currencies in question are not really affected that much, and cording to the Irish finance minister, John Bruton, referring to the ter, John Bruton, recently Belgian franc and Danish krone-

"But we don't believe any more that they believed the supply operation was at the command of the gen said. "It looks positive that we ation was at the command of the But the issue of revaluation, in session in March 1023 and the session in March gen said. "It looks posture that we arou was at the context of the Belgian franc and can figure on a shorter time. What can figure on a shorter time. precisely that time will be, we can't as the weapons they requested were always dropped after their talks.

Danish krone, is partly symbolic, officials say. The Belgians and tive tranquility.

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Herald Eribune. BUSINESS/FINANCE



Reaction Appears Perverse To Exchange-Rate Turmoil

By CARL GEWIRTZ

ARIS — The upset in the foreign-exchange markets last week created surprisingly little echo in the international bond market. What echo there was appeared rather perverse. Although the Deutsche mark was appreciating in value, the mark sector of the Eurobond market was one of the least robust.

And although the dollar is expected to continue slipping against the yen and the mark, around \$1.6 billion worth of Eurodollar bonds igunched last week were favorably received.

The explanation, bankers said, is that "hot money" aiming to

profit from a mark revaluation is possing into the domestic West German bond market rather than into DM Eurobonds. That is because foreign investors no longer

sensitive to interest have to pay a tax on interest payments on domestic bonds and because the domestic market is so
exchange rates.

much larger and therefore more liquid. That liquidity is a comfort to speculators who, after the revaluation, will want to pocket their gains and

Historically, prices of DM Eurobonds drop after a revaluation as everyone rushes to sell and buyers are scarce. As a result, a substantial part of the currency gain has been lost via the depreciation of the bond

Today's buoyancy of the dollar-bond market, analysis say, is because investors are most sensitive to fluctuations in interest rates and somewhat impervious to exchange rates. The reasoning here is that the array of frequire the physical sale of dollar holdings or the purchase of nondollar

This means that investors who are inclined to hold dollars move into and out of the bond market because of interest-rate developments, not

HE EUROPEAN CURRENCY UNIT, the basket of EC current cies, will change little against outside currencies after the expected revaluations of the mark and the guilder are offset by the devaluations of the franc, lira and Danish krone. But the ECU sector of the bond market was one of the most buoyant, because when the dust of the currency realignment has settled, interest rates in the component curren-

French and Danish interest rates, kept high for exchange-rate reasons, were driven ever higher last week as tensions within the EMS intensified. The currency realignment will undo all that,

In addition, many analysts expect a considerable outflow of foreign funds from West Germany. A lot of the hot money has gone into DM bank deposits and as those transactions are unwound there should be a 'only that the "group" mentioned in reduction in the bloated growth of the money supply, giving the Bundes-bank the elbow room it needs to lower its interest rates. That reduction will be needed to offset the depressive impact of the currency revaluation shape in the second of the co

As interest rates of the component currencies drop, ECU interest rates will also decline and bond prices will rise.

ECU bonds currently yield almost 200 basis points, or 2 percentage points, more than comparably dated DM paper, a powerful attraction to

The two ECU bonds launched last week met a favorable response. The money might be coming into the European Investment Bank offered seven-year notes at 101% bearing a company company of 7% percent for a yield of 7.69 percent. This was about 7 basis points less than the yield on existing EIB paper, but that was no deterrent. The new issue, initially announced for an amount of 150 million ECU,

was increased to 200 million ECU. However, lead manager Swiss Bank Corp. kept all of the increase for its own clinits instead of sharing it provate with the other underwriters. SBC officials said they had found investors who wanted the paper and feared that offering more paper to all the underwriters would only underwriter the price of the boads. However, Credit Suisse First Boston did not accept this presenting and withdraw as an underwriter when the increase accept this reasoning and withdrew as an underwriter when the increase was not evenly shared.

Japanese investors are big takers of ECU paper, leading Dai-Ichi Kangyo Bank to offer 100 million ECU of 10-year bonds. Bearing a coupon of 7% percent and an offering price of 101%, the paper was priced

to yield 7.95 percent, or 16 basis points over the EIB paper.

In the DM sector, Banque Française du Commerce Extérieur priced

200 million DM of 10-year, 6½ percent bonds at 100%. The issue was a
success, ending the week quoted at a discount of 1½ points. But Chrysler's

150 million DM of 6½ percent bonds were shanned because 10-year
paper from a triple-B rated issuer was considered to a local

paper from a triple-B rated issuer was considered too long.
Hammerson Property's 150 million DM of 6 percent bonds had an attractive maturity of five years, but investors did not like the credit.

It is also worth noting that West German stock prices took a beating last week as investors became worried that industry would not be able to

cope with the effects of an appreciating mark.

The contrary effect was at work in New York, pushing the Dow Jones industrial average to a record high. In addition to the beneficial effects of a lower dollar on corporate revenues and profits, the stock and bond markets benefited from renewed conviction that dollar interest rates will continue to decline this year.

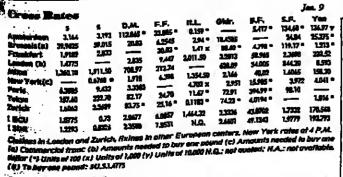
John D. Paulus, chief economist of Morgan Stanley, last week predict-

See BONDS, Page 9

Last Week's Markets All figures are as of clase of trading Friday

	Stock In	en care			Money Rates	Jan. 9	Jan. 2
	United States	Jan. 9	Jan. 2	Chrys	Umilial States		
ò	DJ Indus.	200531	1,930,40	+3,91 %	Discount rate	5/4	5V2
٠,	DJ UNL	218.97		+454%	Federal funds rate	5 13/76	6/2
	DJ Trans.	853.92	81438	+ 440 %	Prime rate	71/2	7/2
	S & P 100	265.45	235,18	+437 %	Jeron		
	S & P 500	251.73	244.45	+4.96 %	Discount	3	3
	S'& P Ind	285.53	274.58	+5.08 %	Cott money	41/36	47/18
	NYSE CD	146.39	141.01	+5.23 %	3-month Interbank	4 5/16	45/16
	Britisia				Mais Garanaus		
	FTSE 100	1,752.30	1,481.10	+424%	Lombard	51/2	51/2
	FT 30	1.286.40	1,320,20	+ 5.07 %	Call money	4.45	54
	Japan .				3-month Interbook	4.75	4.85
		18.810.36	Clad	-%	British.		
	٠.				Bank base rafe	- 11	. 11
	Asia Garanas				Coll money	1114	1114
	Commerzbk	1,913.50	2016.40	—5.38 %	3-month interbank)T¥b	70 11/16
	Hong Kong				Defler Jon.	7 Jan. 2	Chipe
	Hong Seng	2,561,73	2,450.06	+454%	Bk Engl Index -	- 00	-%
	World						
		240.20	254.00	+342 %	Geld		-0.37%
	MSCIP	369,70	330.00		London p.m. fbc\$ 4020	433.50	-0.37 %

Currency Rates



Corrency per U.S.S.
Acres, sentral 1.266
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Turner May Sell Big Stake

Cox, Storer Have Been Approached

By Robert J. Cole
New York Times Service
NEW YORK — Ted Turner

may be negotiating to sell a signifi-cant piece of his 80-percent stake in the financially troubled Turner Broadcasting System, according to Wall Street analysts and sources close to the company.

The company refused to say how much stock might be sold. Some analysts said Friday that it was too early to assess the simation but that Mr. Turner would probably fight to maintain control even if he sold a

Turner Broadcasting said it was discussing a possible "infusion of equity capital into the company" by what it called "a group of cable operators." It described the possible infusion as "material" but did not elaborate.

Storer Communications said in was among the companies TBS had approached. "We have been approached by Turner Broadcasting and expect to talk with them in the relatively near future," a Storer spokesman told Reuterss. Cox Communications said it also had been approached and was considering the proposal, Reuters said.

According to a spokesman, TBS owes \$150 million in short-term debt and \$1.2 billion in long-term debt stemming from its \$1.6 billion purchase of MGM-UA Entertainment Co. with junk boads in 1985.

Mr. Turner's office in Atlanta

said he was not available for comment. Other officers would say the statement referred to "a number of different operators,"

TBS common stock rose \$2,875, to \$18, in heavy trading Friday on the American Stock Exchange. The preferred stock rose 50 cents, to \$9.50. The week before, almost 3 million preferred shares changed hands as word spread that new

Turner recorded a loss of nearly \$120 million in the first nine months of 1986 on revenue of \$401 million. It posted earnings of \$15.6 million in the period a year earlier on revenue of \$259.4 million.

In addition to the large debt from the MGM-UA purchase, TBS's Cable News Network has weathered a series of financial crises since it was formed in 1979, and negotiations to sell it to RCA Corp. and Gamett Co. failed in 1985.

Analysts who follow the cable industry said the discussions might also involve Telecommunications Inc. of Denver, the biggest U.S. cable operator. Telecommunica-tions owns about 3 percent of Turner Broadcasting.

The Ballooning of Corporate Debt Some Experts Welcome It; Others View It Warily

By Mark Ports

Washington Post Service
WASHINGTON — Most companies have some debt on their books, but few have problems as extreme as Chevron Corp., whose debt ballooned to \$15.5 billion when if purchased Gulf Corp. for a record \$13.2 billion in 1984.

Since then the San Franciscobased oil giant has almost halved the debt through stringent cost-cutting and sales of assets. Company wags say the chairman, George M. Keller, was even willing to sell his desk. So far, there have been no tak-

ers for the desk. "It's still here," Mr. Keller said recently. "But make me an offer for it and we'll talk about it."

Mr. Keller's tongue in check solution indicates the growing level of concern among experts about the amount of debt carried by American corporations.

Economists estimate that the total debt of U.S. corporations has increased by \$300 billion to \$400 billion in the past three years. The rise has been fueled by such factors as leversged buyouts, in which companies go private using borrowed money to buy back their stock; borrowing to pay for takeovers; financing of takeovers and other corporate investments with high-risk junk bonds; and major restructuring programs undertaken to repel takeover efforts by miders such as T. Boone Pickens Jr. and Carl

Some analysts argue that the increase in debt is long overdue, that U.S. companies have been overly carrious about financing operations with debt rather than equity or stock. These experts see the increasing debt load bringing U.S. companies more in line with their Japanese and European counterparts, which are financed almost entirely with debt.

By James L. Rowe Jr.

Washington Post Service
WASHINGTON — Debtor na-

tions and their lenders face the

most intense period of negotiations

this year since late 1982 and early

1983, when first Mexico, then other

large Latin American nations ran

out of money to pay their foreign

ors and creditors quickly put to-

gether austerity programs and loan packages to keep Latin America

This year the pre-eminent con-

cern, at least from the debtors' per-

spective, will be creation of long-term programs that will foster

economic growth in the devastated

and the financial system affoat.

But this year's talks are likely to



Pickens, above, and Carl C. Icaim, right, helped deepen Phillips's debt; top right, Chevron's George Keller offered playfully to sell his

Many others, however, includ-ing much of the U.S. business establishment, worry that the rapidly escalating amount of cor-porate debt is a time bomb that will go off if interest rates jump or the economy alumps.

Furthermore, critics say, companies loaded down with debt are at a competitive disadvantage, beholden to the debt to such an extent that they must be managed very conservatively, with cuts in such necessary areas as capital investment and research and development.

"The threat is that some corporations will go belly up and bring the banking system down with them," said Morris Mendelson, a professor of finance at the Wharton School of Business at the University of Pennsylvania.

jor Latin debtors that will go to the

They will look to the sharply

easier terms granted to Mexico as a

starting point. The Philippines,

among the biggest of the non-Latin

debtors, also has based its ap-proach to the talks on many of the

breakthroughs achieved by Mexi-

Many of the debtors will be seek-

growth fails to achieve a certain

mestic policy-making.

NEW ISSUE

bargaining table this year.



fluctuations in the economy, said David Wyss, an economist at Data Resources Inc. They've got to make debt payments each year, whether they've got profits

The increasing use of debt in recent years can be seen in a comparison of the ratio of debt to net corporate income in a re-

See DEBT, Page 11

of the international community for

President Raul Alfonsin's eco-

nomic program reduced inflation

to about 70 percent last year, a big improvement over the 1,000 per-cent it reached in 1985. But the

country has been hit by low prices

for its grain exports and low invest-

billion in new bank loans this year

its inflation-lighting efforts.

Manila May Bar Citibank Over Rescheduling

ample by suspending the opera-rions of a U.S. bank in retaliation said. for its delaying talks on reschedul-ing the country's debts, newspapers reported Sunday.

The Manila Chronicle said that

عملاً من الأول أ

Citibank, one of the country's largest bank creditors, had delayed talks on restructuring \$3.6 billion of Philippines foreign debt. Citi-bank has three branches in the

The talks have been suspended

Manila is "studying what Brazil did to Mellon Bank to find out whether we have legal basis for do-ing something similar in the Philip-pines if and when the circumstances warrant this," the Manila Bulletin quoted Finance Minister Jaime Ongpin as saying. The report could not be immedi-

Brazil last month told the representative office of Mellon Bank in Rio de Janeiro to close down after it refused to renew about \$150 miltion of short-term credit lines. Meanwhile, the Philippines

News Agency quoted Mr. Ongpin as saying that a Philippines delegation would discuss joint action on foreign debt with the central bank governors and finance ministers of Brazil and Argentina.

He said the meeting the first held by the Philippines with other major debtor nations, would be sandwiched between talks on Jan, 21 by the so-called Paris Club of Western creditor nations and discussions with Manila's 12 leading creditor governments on Jan. 26.

Brazil, with around \$108 billion

of foreign loans, has scaled back its

growth goals to about 5 percent,

modest by Brazilian standards.

frontation between Brazil and its

whether they will lend the country

new money and renegotiate repay-

ment terms on scores of billions of

old loans without the security of an

C. Aquino is planning major eco-

Analysts said the U.S. govern-

There is expected to be a con-

MANILA — The Philippines is to coordinate our action and en-considering following Brazil's ex. hance our ability to deal with our

He reportedly said that the Philippines would not resume negotiations with a 12-bank advisory committee on restructuring part of its total foreign debt of \$27.8 billion unless the banks came up with a counterproposal acceptable to Ma-

The talks were due to have resunned last Tuesday, but collapsed after one bank, identified by foreign bankers as Citibank, refused to agree to a pact similar to one given to Mexico late last year. Mexico was allowed a 20-year repayment period at 13/16 per-

terbank offered rate. Mr. Ougpin said the Philippines wanted better terms than Mexico. He did not give details, but the

economic planning minister, Solita Monsod, has said it sought interest of % point over Libor. Communist rebels of the National Democratie Front have gone so far as to make repudiation of some

foreign debt one of the conditions it seeks in return for a cease-fire. Meanwhile, the National Economic and Development Authority said Sunday that the Philippines' foreign debt is expected to rise to \$28.7 billion in 1987 as the current

account swings into deficit. The current account, s broad trade measure that includes merchandise as well as nonmerchandise items such as services, is expected to register a \$400 million deficit in 1987, it said. The Philippines had a current account surplus of \$900 million from January to September 1986. (AFP, Reuters)

In '87, Debtor Nations Will Look to the Long Term U.K. Said to Plan foreign debts, has been the favorite bank loans in return for the re-

Sale of Brit Rail

LONDON — The govern-ment is considering selling Brit-ish Rail, the state-owned railroad system, to the public after the next general election, which is due by early next year, the Sunday Telegraph reported.

Prime Minister Margaret Thatcher is enthusiastic about the plan, which would be the most radical of a series of privatizations by the Conservative government, the paper said. A Department of Transport

spokesman said there were no plans at the moment to sell the system, which receives an annual government subsidy of around £900 million (\$1.33 bil-

November, 1986

Argentina, with \$53 billion in Argentina and Brazil are the ma-EMS Shift Could Create These securities were offered and sold outside the United States of America.

be far more complex than those in ing lower interest rates and anto-1982 and 1983, when panicky debt-matic boosts in lending if economic

BRUSSELS - Any realignment

diplomats here.

A major EMS realignment, which EC monetary officials and central bankers were dircussing in Brussels over the weekend, would probably cost the EC almost all the money it had planned to save by reducing dairy and beef surpluses, diplomats said Saturday. Agriculture ministers adopted the farm

lengthy negotiations.

This, in turn, diplomats said, would reduce the chances that the EC could quickly arrive at a budget for 1987 and thus end the uncer-tainty that has prevailed since mid-December, when the Buropean Parliament rejected budget propos-als from ministers as inadequate.

Any EMS adjustment could involve revaluation of the Deutsche mark against most, if not all, of the seven other EMS currencies: those

Monetary System could create new budget headaches for the European Community, wiping out almost 800 million European Currency Units (\$855 million) it had planned to save on farm costs, according to diplomats here.

A meter EMS realizement into handhall carrences it noticeans "green" rates of exchange. Because of the way this system operates, the diplomats said, an increase in the Deutsche mark would provide weak-currency countries with an opportunity to seek devaluations of their green currencies in the with the EMS realizement. giving their farmers higher prices.

As a result, an upheaval in EMS currencies of a size similar to that agreed upon last April could cost the EC about 800 million ECU.

This would almost wipe out the 948 million ECU expected to be saved in the 1987 budget by cutting milk and beef surpluses.

mark moved up almost 6 percent against the French franc. Because the series of central bank interventions last week that led to the EMS talks was triggered largely by the strength of the mark against the

plan last month after delicate and In the April realignment, the

franc, a similar adjustment was ex-pected from the weekend talks.

Henning Christophersen, said Friday that, following the farm accord in December, he had hoped that the of Belgium, Denmark, Ireland, Ita-ly, Luxembourg, France and the Netherlands. European Parliament would accept a budget of about 36.2 billion ECU for 1987.

ELOF HANSSON - THE GLOBETRADERS

Havoc in EC Farm Plans

The international trading house active in pulp, paper, machinery, chemicals, timber, building material, textiles, foodstuffs, steel, consumer goods.



Subsidiaries in Barcelona, Basel, Beijing, Bombay, Copenhagen, Drammen, Geneva, Hamburg, Helsinki, Hong Kong, Jakarta, London, Melbourne, Milan, New York, Pans, Sao Paulo, Singapore, and Tokyo. Sales agents in 110 countries.

IMP program.
In the Philippines, with nearly to help it pay interest and have funds to invest in plant and equiplevel and export prices stay low. They also are likely to want much \$28 billion in foreign loans, the government of President Corazon looser oversight from the Interna-

forms.

Argentina also is taking steps to tional Monetary Fund, which is unopen up its closed and inefficient popular in Latin America because economy to foreign competition, reducing the size of its public sector its austerity policies are associated with recession and are considered unwarranted interference in doand reforming its tax system.

Argentina hopes to receive fur-

ment's desire to help the new de-mocracy should help in renegotiating old loans and borrowing new

nomic reforms.

This announcement appears only as a matter of record.



U.S. \$150,000,000

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Banque Paribas Capital Markets

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Goldman Sachs International Corp.

Banque Nationale de Paris

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Kleinwort Benson

Nomura International

Bank of Tokyo International Credit Lyonnais

Daiwa Europe

DG Bank Deutsche Genossenschaftsbank Genossenschaftliche Zentralbank AG

Merrill Lynch Capital Markets

Rabobank Nederland Shearson Lehman Brothers International

Morgan Guaranty Ltd Salomon Brothers International

Crédit Commercial de France

Morgan Stanley International

Chase Investment Bank

Societé Générale

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New International Bond Issues

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FIXED-COUPON						
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Bond Brewing Holdings	\$175	1991	zero	72.86	73.5	6 Yield 8.237%. Noncolloble. Proceeds \$126 million. Fees 11/6
Crédit Agricole	\$150	1994	71/2	100%	99.00	O Namellally English States
Denmark	\$500	1992	7%	101%		710,000
Finland	\$200	1997	7%	1011		Noncellable, Fees 134%, Denominations \$10,000. Noncellable, Fees 2%.
Halifax Building Society	\$150	1992	71/2	100%		Noncallable, Fees 1%%.
Hotel Parker Meridien Copital	\$ 60	1997	8%	100%	99,00	Noncollable. Fees 2%.
Kreditonstalt Fuer Wiederaufbau	\$200	1994	71/2	1001/2	98.25	Noncollable. Fees 136%.
World Bank	\$300	1992	7	101	99.70	Noncollable, Feet 116%.
Banque Française du Commerce Extérieur	DM 200	1997	61/4	100%	99.25	Collable at 102 in 1992. Fees 24%.
Chrysler Financial	DM 150	1997	6%	100	97.75	Noncollable, Fees 24%
Hommerson Property Investment & Development	DM 150	1992	6	100	_	Noncollable. Fees 2%.
Algemene Bank Nederland	£ 75	1992	101/2	101%	99.25	Noncollable, Fee: 199%.
Amsterdam- Rotterdom Bank	£ 50	1992	10%	1011/4	99.00	Nancofioble. Fees 1 %%.
Creditarstalt Bankverein	€ 50	1994	101/2	101	98.88	Noncollable. Fees 1965.
Dai-Ichi Kangyo Nederland	ECU 100	1997	7%	101 1/2	99.63	Noncolable. Fees 2%.
European Investment Bank	ECU 200	1994	7%	10135	99.88	Noncofiable. Fees 1%%.
Australia & New Zealand Banking Group	Aus\$ 50	1992	14	101%	99.28	Noncoflable. Fees 2%.
BHP Finance	Aus 75	1992	141/4	10113	99.38	Noncellable, Feet 2%
Commerzbank Overseas Finance	Aus\$ 75	1991	14	10114		Noncollable, Fees 190%.
CSR Finance	Aus\$ 40	1992	14%	10113	99.38	Noncollable, Fees 2%.
DSL Bank	Aus 50	1992	14	101%	99.50	Noncellable. Fees 2%.
Gövernment Insurance Office (New South Wales)	Aus 50	1991	14	101%	98.88	Noncaliable, Fees 1 16%.
Landesbank Schleswig-Holstein Finance	Aus\$ 30	1990	14	10114	99.13	Noncolloble, Fees 1975.
Philip Morris	'Aus 75	1990	1416	10114	98.88	Noncofichie, Fees 1976.
Société Générale Australia	Aus\$ 40	1990	141/2	10114		Nancollable, Fees 197%.
rudential Funding	NZ\$ 50 ·	1990	1714	10114	99.50	Noncofable, Fees 195%
QUITY-LINKED						
ізої Сотрапу	\$100	1992	open	100	107.25	Coupon indicated of 39%. Noncellable. Each \$5,000 notes with one woment esercisable into company's shares of an expected 25% premium. Fees 24%, Terms to be set Jan. 16.
zumiya Company	\$ 60	1992	obeu	100		Coupon indicated at 396%. Nancollable, Each \$5,000 note with one warrant exercisable into company's shares at an
Vestlé Holdings	\$100	1997	5	100	103.50	expected 25% premium. Fees 25%, Terms to be set Jon, 13. Noncolloble, Each \$10,000 note with five 4%-year womens each exercisable into one bearer porticipation certificate of

BONDS: Reaction to EMS Fuss Seems Perperse

(Continued from first finance page) ed that sluggish U.S. economic growth this year would result in long-term U.S. interest rates declining to about 6½ percent by midyear from the prevailing rate of 7½
to 7½ percent. "Although rates
could drop as low as 6 percent at
some point during the second
half," he said, "they are likely to remain in the 6 to 61/2 percent range

13 Al Yele (onboth

until year-end." Important as the expectation of lower interest rates is to the dollar sector of the Eurobond market, another significant factor last week was the cautious pricing of new

The World Bank issued \$300 million of five-year bonds, its first offering of short-dated dollars in two years. Bearing a coupon of 7

By Carl Gewirtz

PARIS - U.S. and British bank-

ing authorities announced last

week what they called a "land-mark" accord on proposals to stan-

dardize the capital requirements to

The stated goal is to see the bilateral agreement widened to all the

INTERNATIONAL CREDIT

to cover their commitments.

of 101, the paper was priced at 45 equivalent to about 59 basis points basis points over the yield on comparably dated Treasury paper. Last year, the World Bank's 30-year bonds were offered at a margin of only 27 basis points over the Treasury curve.

The current pricing reflects what quoted at a 2½-point discount, well The current pricing reflects what

investors want and the issue was a success, ending the week at a dis-count of 1% points for a yield of about 32 basis points over the Trea-

Crédit Agricole of France priced its \$150 million of 7½ percent, sev-en-year bonds at 100½, 71 basis points over the Treasury yield, and ended the week trading at 64 basis points over the curve.

outside the 1% percent underwit-Bankers were also surprised at the poor performance of the \$200 million bonds issued by Kreditanstalt für Wiederaufban, a West

over the Treasury curve. This was

widely considered at least 15 basis

points too stingy and lead manager

Nomura faced considerable diffi-

German government-owned bank making its maiden voyage to the Eurodollar market. The bank, whose domestic paper is issued at about 30 basis points over govern-The only issue that did not work was Denmark's \$500 million of five-year notes carrying a 7% percent coupon and offered at 101%,

Differences Remain in U.S.-U.K. Pact

monitor bank holdings of capital 60 percent is drawn. instruments and may, as appropriate deduct these items. Japanese banks are reported to be the largest holders of perpetual FRNs issued by banks and a big question is what position the Japanese anthorities will take in their moves to adopt the U.S.-British

Japanese and U.S. officials met last week in New York to discuss the common standards but Japamajor industrialized countries, es-tablishing a global regulatory stan-dard for international banking.

Meanwhile, the market for per-This will include a common definition of what constitutes bank petnal FRNs came under renewed attack last week with large volumes capital, a difficult task since the diversity of the existing national of paper put up for sale and no definitions is a reflection of ac buyers to be found. Prices, which counting principles and tax laws opened this year in a range of 97-that differ from country to country.

In addition, the accord also calls at week's end to a range of 94-96.

The FRN market itself remains for standardization in measuring the risks that banks have assumed. Shuttered. Rather than paying the Business will be divided into five near 4 point margin over the Loncategories, each with a different don interbank offered rate now reweight, to enable supervisors to apply a uniform assessment oo it easier to issue fixed-coupon whether banks have enough capital bonds and swap the proceeds into sub-Libor floating rate money.

important as the accord is in In addition, banks are tapping laying the groundwork for a global the widening money markets for approach to supervision, differ funds. Credit Commercial de ences remain. One particularly topical one concerns the treatment of bank holdings of other banks' to £150 million of certificates of deposit issued by its Loodoo

The Bank of England, concerned branch Banque Internationale pour l'Aabout the explosion in the number of banks issuing and buying floating-rate capital notes and the potential danger of pyramiding, considers that banks must deduct from banks to underwrite a five-year their rate capital base and holdings. their own capital base any holdings of another bank's capital paper.

No other regulatory body has followed the Bank of England's treatment of such holdings and the new accord says only that the U.S. authorities "accept the principle and will base points of an except the principle and a utilization fee of an underlying this policy and will base to underwrite a five-year backup line of credit of \$25 million. It will pay an annual underwriting fee of 8 basis points, or hundredting and a front-end fee of 7½ basis points. To draw on the credit, BIAO will pay 10 basis points over Libor and a utilization fee of an-

The continuing expansion of the number of issuers tapping the fledgling Euro-CP market indicates that borrowing terms here must be competitive with those prevailing in the much larger U.S. market. This is now confirmed in a study by Rodeny H. Mills, senior economist of the international banking sec-

tion of the Federal Reserve System. Mr. Mills stated that the Europaper market is "very cost competitive with the U.S. market in threemonth maturities." The bulk of the U.S. market activity is in materities of 30 days of less.

On the basis of rates only -that is, excluding dealer fees — "the Europaper market is more costly most of the time." But, Mr. Mills said, taking account of the much greater dealer renumeration in the U.S. market, "borrowers with access to both markets can now issue three-month paper in the Euromarket more cheaply than, or as cheap-ly as, in the U.S. market for dealerplaced paper most of the time."

Bond Corp. to Get 23.77% of TVB

HONG KONG - Bond Corp. International Ltd. has agreed to buy 23.77 percent of Hongkong Television Broadcasts Ltd., the colony's leading TV station, for 1.4 billion Hong Kong dollars (\$180 million), Bond confirmed Sunday. Bond International, controlled by the Australian entrepreneur Alan Bond, said it would buy 99.84 million shares for 14 dollars apiece from TVB's chairman, Sir Run

Run Shaw, and related trusts.

The purchase is to be financed

by a short-term bank loan and a

WITH COMPLIMENTS OF CONTINENTAL AMERICA CONTINENTAL AMERICAN have are indusire prices as of Jan & 198

Swedish Business Dislikes Budget

STOCKHOLM - Sweden's business community has reacted sharply to the Social Democratic government's new budget, with financial markets rejecting it as inadequate to deal with economic chal-

lenges. The fiscal 1987 budget was scheduled to be unveiled formally on Monday, but most details of the 4,000-page document were known by Friday, and sent share prices numbling on the Stockholm stock

Analysts said that the govern-

ment planned to retreat from pledges to impose austerity mea- rises. sures to curb consumer spending. fueling fears among investors of higher interest rates.

"The budget is too nice," read a front-page headline in the Stock-holm daily Dagens Industri, summing up the verdict of the business

Rumors of the budget's contents had depressed financial markets since Wednesday. Swedish shares lost 24.8 billion kronor (\$3.6 billion) last week while other leading

The Soviet trade delegate to Tur-key, Vladimir Kostikov, said Fri-

agreed that Turkish contractors would build a number of hotel and

Soviet-Turkish Trade to Rise As Gas Starts Flowing in April

ANKARA — Trade between key, Vladimir Kostikov, said Fri-Turkey and the Soviet Union is day that the two countries had also dent. expected to increase dramatically later this year as Soviet natural gas comes on stream and Ankara ex-ports more goods and services to

pay for it.
Though Turkey is a staunchly anti-communist member of the Al-lantic alliance, neither side appears to see any problem in putting the trade agreements into effect.
During 1987, Turkey is to receive

750 million cubic meters of natural gas from the Soviet Union. Moscow is to use 65 to 70 percent of the resulting income to pay for imports from Turkey. Last year Soviet imports from Turkey amounted to \$180 million.

Soviet officials say the amount of gas is due to rise to six billion cubic meters after 1987. It is hoped that

bilateral trade volume will eventually reach \$1 billion.

Major Turkish exports to the Soviet Union include vegetable oil, wheat, itvestock, citrus fruits, nuts, iron and steel and industrial prod-

Bond Prices Close Higher Despite Data

By H.J. Maidenberg New York Times Service NEW YORK - Treasury bond prices closed sharply higher late last week after pressure earlier from economic statistics that were bearish for the credit markets.

Dealers said the turnabout came in mid-session Friday, when short sellers began covering their earlier

U.S. CREDIT MARKETS sales with purchases. The resultant

rise in prices brought in fresh buying throughout the rest of the day.
The discount rate on 90-day bills fell 8 basis points, to 5.39 percent, ing flood of ready cash. The basic

federal funds rate eased to 5 15/16, What we saw today was an awful lot of money chasing a relatively small supply of Treasury paper," said Norman E. Mains, first vice president at Drexel Burnham Lambert in Chicago. "As this became apparent, the sellers began holding back and those who had sold short earlier [in the] week began to buy

out of their positions."
Robert H. Chandross, chief economist at Lloyds Bank in New York, said that, even when the bond market seemed to be under pressure after a decline in the unemployment rate was announced. the selling lacked conviction.

"While employment in the manafacturing sector accounted for only 31,000 of the total gain of 269,000 jobs last month, it does indicate that industrial production rose eight-tenths or nine-tenths of 1 percent in December and that the economy ended 1986 or a rather strong note," Mr. Chandross said.

He said he doubted that the Fed-

eral Reserve would have any reason future. "Given this situation, one can say the bond market behaved rather well even before the rally began," he added.

U.S. Consumer l	later
	Jos. 9
Passhook Savings	5.50
Tax Execut Sends Send Boyer 25-Send Index	471 %
Monty Market Fonds Describer's 7-Day Average	435
Sonk Honey Market Accounts Sonk Role Magitar Index	SM %
Horse Merspand, FHLB overage Source : New York Times.	TELET W

Net Asset Value on January 2, 1987

Pacific Selection Fund N.V U.S.\$0.28 per U.S.\$1 mit

Pacific Selection

SHETH USA/RIC MOTATORS

Bitter Corp. 24 241/4 GoodWark Foods 12% 12% MAG Holdings 5% 17% 17%

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The main criticism of economists was that the budget gave too little priority to fighting inflation and that it contained no new taxes or other measures to dampen the spending spree that has attracted a flood of imports to the country.

Worries about inflation and a trade deficit reawakened fears that Sweden, after three years of strong economic growth, could find itself back in the quandary it faced in 1982, when it had to devalue its currency 16 percent to recover the market share its exports had lost because of inflation.

One of the few government departments to have its appropriations increased under the budget was the Nuclear Inspection Board, which would get extra money to monitor nuclear technology abroad. The rise was clearly linked with the Chernobyl nuclear acci-

Ghana Plans to Open leisure facilities in the Soviet Cri-The deputy chairman of the Stock Market in May Turkish Contractors Union, Cemil

Cudi Eke, said at least 10 compa-nies would form a consortium to work with the Soviet Union. ACCRA, Ghana - Ghana will open a stock exchange in May to No value has been put on the try to raise capital for local busi-projects. A top Turkish official said nesses, according to a top finance

it was hoped that the construction official here.
work would help pay for the name.

Joseph Ary work would help pay for the natural gas, which is due to begin flowing in April.

A high-level Soviet team led by a deputy chairman of the State Committee for Foreign Economic Relations, Oleg Danilov, is scheduled to agrice in Aprice on Isn. 21 for a committee, headed by the government had set up a technique in Aprice on Isn. 21 for a committee, headed by the government of the central bank to do arrive in Ankers on Jan. 21 for a error of the central bank, to do 10-day visit to discuss the work.

preliminary work on the exchange.



Kingdom of Sweden U.S. \$700,000,000

Floating Rates Notes due 2005 and 3/16% Income Rights due 1990

In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 12th January, 1987 to 13th July, 1987 the Notes will carry an Interest Bate of 200 year annual. Interest Rate of 6% per amum.

Interest payable on 13th July, 1987 will amount to U.S. \$303.33-per U.S. \$16,000 Note.
Interest payable on 1/10% Income Rights on 13th July, 1987 will amount to U.S. \$9.48 per U.S. per U.S. \$10,000 printing amount.

Morgan Guaranty Trust Company of New York London Agent Bank

INTERNATIONAL TENDER SARDINE CONSERVATION PLANT TAN - TAN **MAROC**

The Arali Company for investment in fisheries announce for an international tender to establish a Sardine Conservation Plant in Tan Tan Maroc as turn key contract.

The factory will produce the following 1º 9,000 tons of skinless and boncless sardines: 4,000 tons of normal sardines;

3º 80 million metallic boxes from white iron for the packing of

4º The building containing the mentioned activities plus the administration and office unit.

The interested companies specialized in the afore mentioned subject will please contact the following address to obtain the specifications and documents of the tender.

Dr. Walid al SHARIF

Director General Arab Company for Investment in Fisheries (S.A.I.P.),

Place Zallaqa,
Tour Atias - 18th Floor, Casablanca (Maroc).
Telephone: 30.91.11/30.85.85. Telex: Omnipech 23904M/23976M.

A managed investment in international trade

Investing in shipping containers which are leased to major shipping lines is a profitable business

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Purchase price US\$2500.00 each including positioning from factory to the nearest lease out

55% binancing in US dollars over five years. Nun-recourse and self-liquidating. Residual value equal tu the initial eash invested and fully secured by class 'A' bonds

administered by a big '8' accounting firm. For full details, without obligation, and uur new coluur



All of these securities have been sold. This announcement appears as a matter of record only.

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INVESTCORP

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COMMON STOCK

Price \$0.25 PER SHARE

The undersigned arranged the placement of these shares.

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NASDAQ National Market · OTC Consolidated trading for week ended Friday.

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Euromarts At a Glance

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Weekly Sales Euroclear

6 News
1,079.38 625.40
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436.08 261.20
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1,942.90 1,716.40 \$ 494.36 47,06 616.80 1,154.18 North 6
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17.30 141.00
31.58 434.08
— 1,884.40
534.20 3,942.90 Streights Couvert FRNs ECP Total

4 Nors 4 Nors 2,97.90 1,451.00 1,007.90 2,302.30 271.90 371.40 315.18 124.10 767.20 429.40 1,472.90 522.00 953.00 22.40 1,522.30 14.70 4,771.80 1,732.40 4,255.00 2,974.50 Straights 2,9730 1,451,7 Convert, 271,90 31,4 FRUIS 70726 42, FCP 953,00 23, Total 4,771,30 1,535,4 Source: Eurocicor, Cedel. U.S.S 644
Deutsche merk 411/14
Prench irvac 13/4
ECU 97/
Yen 49/4
Source: Morean Georgeuters. 3-menth 62/16 411/16 11 2/16 1094 8% 47/16

U.S. Firm Asks to Buy Fairchild Units Hutton Sees By Stuart Auerbach

Washington Post Service WASHINGTON - A San Diefalling oil prices. go company has offered to buy the lefense-related segments of Fairchild Semiconductor Corp. to keep them away from a major Japanese company for national security reasons, business and Capitol Hill SOUTCES Say.

But Schlumberger Ltd., the French company that owns Fair-October agreement to sell 80 perfor an undisclosed sum, according to William Janeway of Eberstadt Fleming the American arm of a British investment banking firm.

Fairchild, a Silicon Valley pio-neer in chip technology, has fallen

(Continued from first finance page)

cent study by Data Resources. For

years, corporate debt has averaged about 70 percent of net income. But in the past three years it has

begun rising. By the end of 1986 the

average company's debt was equal to about 90 percent of its net in-

That rise has coincided with the

increase in corporate takeovers. Many critics blame the takeover

frenzy for putting so many compa-

Since much of the money used to

volatile short-term rates, compa-nies that have burried into a take-

over, or a debt-laden takeover de-

fense, are particularly vulnerable to

Ironically, many companies are

going into debt to avoid takeovers

- borrowing money to buy back stock. "These days, it's a fashion-

able thing to do, to a certain ex-tent," Mr. Mendelson said. "The

philosophy has grown that you should make yourself as leveraged

as possible, or else you're vulnera-

Phillips Petroleum Co. is a prime

example of how a takeover battle

ens and Mr. Icahn two years ago,

won its freedom through a finan-

cial restructuring in which It bought back about half its stock.

The load of debt has become a

(Continued)

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ble to a takeover."

fluctuations in interest rates.

take over companies is borrowed at collapsed, with the price plummet-

can leave a company deeply in rience. "What you did to Phillips debt, Phillips, the target of back-to-back takeover attacks by Mr. Pick-in that they did not have," he said.

To pay for the transaction, the American companies can handle

company borrowed heavily, on top of debt left over from two acquisitions. After the restructuring, Philips found itself \$8.6 billion in debt, member of the Business Roundta-

giving it a debt-to-equity ratio of ble, an outspoken critic of rising about 85 percent. ble, an outspoken critic of rising corporate debt, said:

major factor in how Phillips is run. and efficient - that's overused. If

You just stand in the shadow of it you're lean and mean in the paper

International Bond Prices

Morson J P
H I B
N I B
N I B
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N I B
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New Zeoland
New Zeoland
New Zeoland
Nippon T&T
Nippon T&

nies into the hole.

the fourth quarter of 1986 and is of the Senate Armed Services Comexpected to post a sizable loss for mittee, said that Fujitsu's acquisi-

Sources said Friday that the company that has offered to buy Fairchild's defense-related segchild, appears reluctant to break its ments is a privately owned business called AMCC, which has annual cent of its interest to Fujitsu Ltd. sales of \$25 million. Most of its contracts are in the military field.

> The Reagan administration, meanwhile, has extended its investigation into whether the Fujitsu purchase should be blocked on na-

DEBT: Some Firms Welcome It; Others Eye It Warily

said its president, Glenn Cox.

One of the key changes for Phillips has been a curbing of some

more venturesome investments - a

tricky course in the oil business,

where taking chances in drilling for

new oil and gas supplies is a corner-

Phillips's problems were exacer-

bated by the kind of problem that

makes critics of debt jittery: Within

a year after the company took on

its mound of debt, the oil market

ing from \$30 s barrel to as low as \$10. That could have toppled Phil-

lips, which had based its restructur-

ing on a worst-case scenario of \$20-a-barrel oil.

Phillips rightened its belt another couple of notches, managed to

complete the sale of some major

assets agreed to at good prices just

before the oil-price plunge, and got lucky. The decline in oil prices re-

duced the cost of raw materials for

its petroleum-marketing and chem-

company in its current situation, thinks Phillips is better for its expe-

rience. "What you did to Phillips

"They have a more efficient opera-

Mr. Pickens's argument is com-

"This business of lean and mean

74 1027s 77 1027s 78 1027s 79 1084s 75 1007s 75 1007s 75 1007s 75 1007s 75 1007s 76 101.050 77 1017s 77 1017s 77 1017s 77 1017s 77 1027s 78 107s 79 104 79 1057s 79 104 70 1057s 71 1057s 72 1057s 73 107s 74 1057s 75 1057s 77 1067s 77 1067s 78 1057s 79 1067s 79 1067s 79 1067s 79 1067s 70 1067s 71 1067s 71 1067s 71 1067s 72 1067s 73 1067s 74 1067s 75 1067s 76 1067s 77 1067s 77 1067s 78 1067s 79 1067s 79 1067s 79 1067s 70 1067s 70 1067s 71 1067s 72 1067s 73 1067s 74 1067s 75 1067s 76 1067s 77 1068s 77 1068s 78 1067s 79 1068s 79 1068s 70 1068s

5.64 5.41 5.40

mon among those who believe

Mr. Pickens, who helped put the

ical divisions.

tion than they did."

corporate debt, said:

معكذا من الأمل

In a letter to President Ronald Schlumberger announced B one-time charge of about \$1.7 billion in crat of Nebraska and a key member tion of Fairchild "could have very serious implications for our nation al defense."

Mr. Janeway said that officials of Schlumberger would consider splitting up Fairchild if the Reagan administration blocked the agreement with Fujitsu.

proper investing and keeping up to

date, in three years you're non-

U.S. companies closer to the Japa-

pan, many large companies operate

ing system in which executives and

their bankers are virtually partners

closely overseeing the relationship.

Sharp, Fujitsu

Proponents of debt say it brings

It is unclear, however, whether the Japanese electrooics giant would be willing to buy Fairchild without the innovative technology tional security or antitrust grounds. that is part of its defense business.

very consciously when you have a large amount of debt like we have," business and you don't do your large amount of debt like we have,"

competitive."

on hard times, while Schlumberger, the world's largest oil field services company, has been battered by to block the sale. The government is under increasing pressure from Capitol Hill Major Loss, Citing Large Reserve Fund

New York Times Service NEW YORK - The E.F. Hutton Group will report a "substantial" 1986 loss because of a \$130 million reserve mainly to cover client losses on several types of securities and tax-shelter investmeous, the company has announced.

The statement, released Friday after a regularly scheduled Hutton board meeting, surprised Wall Street analysts who had been expecting Humon to show a profit in the fourth quarter after lackluster earnings much of the year.

Less surprising was an an-nouncement that Hutton intended to sell the E.F. Hutton Insurance Group and its subsidiaries, including the E.F. Hutton Life Insurance Co., to First Capital Holdings Corp. of Los Angeles for \$300 mil-

Standard & Poor's Corp. annese or European models. In Janounced late Friday that it had lowered Huston's senior debt rating to triple-B minus from triple-B with debt-to-equity ratios of 90 plus. "This action is continued evidence of the control weaknesses There are, however, some signifi-cant differences. In Japan, the high level of debt has created a financthat have hurt E.F. Hullon's performance over the last few years." the rating agency said. Moody's Investors Service confirmed Humon's senior debt rating at BAA1. in the management of a company's finances, with the government

Robert P. Rittereiser, president and chief executive, said Hutton had decided to create the reserve after recognizing problems in some of its tax shelters and its floatingrate and zero-coupon municipal

James Hanbury, an analyst with Wertheim Schroder & Co., said the need for the fund was a serious embarrassment and a financial setback for the firm. "This was not a bright idea," he said, referring to what he described as "implied guarantees" Hutton gave its clients.

Settle With TI In Patent Suit

DALLAS — Sharp Corp. and Fujitsu Ltd. of Japan have agreed to pay Texas Instru-ments Inc. an undisclosed sum to settle a patent infringement ase over microchips.

nounced Friday, included a licensing agreement.

If filed suit in federal court

last year claiming that nine companies infringed its patents for dynamic random access microchips. The others companies, seven Japanese and one South Korean, still face legal

Judge Janet Saxon approved the dismissal of all actions against Sharp and Fujitsu. The International Trade Commisaction, and the Japanese gov-

TI said the settlement, an

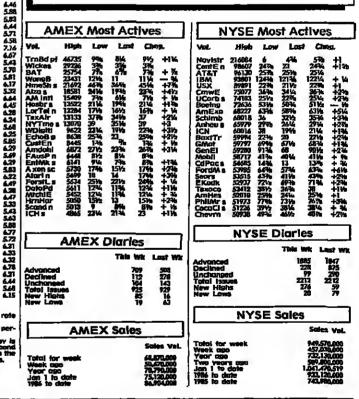
Chief Administrative Law sion has 30 days to review the ernment must also approve it.

Treasury Bonds

Bild Ask Yield yield 100 9rz 100 9rz 6.18 6.27 100 9rz 6.30 6.43 6.27 100 9rz 100 9rz 6.30 6.44 6.65 100 9rz 100 9rz 100 9rz 6.58 6.77 100 9rz 100 9rz 100 9rz 7.28 7.02 101 9rz 101 9rz 7.28 7.02 7.18 119 1/2 119 8rz 7.48 7.72 102 9rz 102 9rz 7.28 7.43

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Wall Street Review



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ACROSS 5 A Celt 63 Assert 9 Coin originally

13 Scarlett 14 Old Norse poems 16 — of March 17 Collar or iacket

1 Box

18 Unit or tract follower 19 Melodies 20 Song from "A Chorus Line" 23 Former French coin 24 Public vehicle

25 Sports 28 Caustic 32 Depot oo a RR 35 Greek god of 37 Saw or

bammer

38 A Philippine island 40 Song identified with Ruth Etting 44 British carbine 45 Region **47 Serves**

51 Fruit drink **52 Lubrica**nt **DENNIS THE MENACE**

How much

Dennis 2

I KNOW!

JUMBILE THAT SCRAMBLED WORD GAME
by Henri Arnold and Bob Lee

15 4and 5,

I don't think...

XAMM

UPTYT

BOWELL

CRAUG

EUROPE

MIDDLE EAST

Jerusulen Tel Aviv

OCEANIA

54 First popular song that won an Emmy exchange

65 Stumble 66 Start of Caesar'a 67 Follow 32 Cubic meter 33 One who 68 Ireland, to 5 Across

domesticates
34 Close to, in 69 Poker stake 79 Despot 71 Rank poesy 36 Paristan's condiment 39 Actress DOWN 1 Fret Gardner 41 Rimsky-Kor-3 Venezuelan

Zl Large

Hawaiian

hawks

25 Not true

26 Fragrance

30 Dance dip in Spain 31 Ethan or

Woody

27 At no time 29 Perch

sakov opera 42 One who copper center 4 Is in a rage sanctions 48 Taut 5 Receive a college degree 6 Gold : Comb. 49 Title Churchill '51 Eagle's nest form 53 Metric liquid 7 Wife of Geraint

measure 8 Sheet of paper 54 Molten rock 9 Tunes in the 55 Hot spot radio 56 Air passage 57 Disfigurement 10 One's own: Comb. form 11 — Griffin, TV host on a car 58 Bulk S9 Polynesian spirit 60 Operatio 12 To be, to

offering **1S Supercilious** 81 Encircled **62** Fencing sword people New York Times, edited by Eugena Maleska.

What do you

I don't think

I know either:

by Henri Arnold and Bob Lee

I can only give you e little

HOW THE SCANDAL MONGER LET THE

CAT OUT OF

Jumbles: TAWNY WOVEN PARITY MORGUE

Bongkok deil tre Heng Kong Manilo Naw Delbi Seoul Shonghol Singapore Tolpei Tokya

AFRICA

LATIN AMERICA

NORTH AMERICA

29 84 20 68 24 79 19 46 28 52 19 46 26 79 6 43 30 86 24 75

WEATHER

What an untalented writer might earn by his pan — "PEN-URY"

THE BAG.

think, teacher?

SPORTS

SPORTS BRIEFS

Oliva Beats Gonzalez to Retain WBA Title

AGRIGENTO, Italy (UPI) — Patrizio Oliva of Italy went an unexpectedly tough 15 rounds in outpointing Mexican Rodolfo Gonzalez to retain his World Boxing Association junior welterweight title here Saturday night.

Oliva opened up cuts around both of the challenger's eyes in the 11th and 13th

rounds, but was also decked for the first time in his seven-year career by a potent left in the seventh. Gonzalez, the WBA's No. I challenger, was warned twice in the fifth round for head butts. Oliva ran his career record to 48-0; Gonzalez, who earned his nickname "Fl

Gato" (The Cat) after surviving a 1981 car crash, dropped to 37-5-2.

West Teams Win Two Football Bowl Games HONOLULU (Combined dispatches) — Chris Miller of Oregon completed 10 of 16 passes for 210 yards and one touchdown, and Washington's Jeff Jaeger kicked three field goals to lead the West to a 16-14 victory over the East in the 41st Hula

Miller had completions of 41 and 47 yards to Lorenzo Hill of Washington and Jon Horton of Arizona during a second-quarter stint that produced the West's go-ahead score. His 4-yard pass to Hill with two seconds left in the half made the score

Meanwhile, in Stanford, California, quarterback Kelly Stouffer of Colorado State completed his first nine passes, including scoring bombs of 34 and 48 yards, to lead the West to a 24-21 victory in the 62d annual East-West Shrine Football game. Scott Schwedes of Syracuse returned a kickoff 90 yards in the third period, the longest scoring play in East-West history, to help the East tie the game after falling behind 21-0. But the West pulled out the victory on a 19-yard field goal by Nebraska's Dale Klein with 6:53 to play.

(UPI, AP)

I THINK I'LL

ABOUT HOW

COLD IT 15.

MAKE A REMARK

THAT'S

LADY DI

CHARLES

ENGLAND

I WON'T TAKE BUT A FEW
MINUTES OF YOUR TIME,
CLARENCE... BUT DO YOU HAVE
A MAINTENANCE MAN BY THE
NAME OF GREGORY EMPLOYED
HERE?

DOWN, REX!

LAST

AND

FROM

Solution to Friday's Puzzle **Uuotable** S PAM ALOU TALIA ADRE CANTERBURY TOTROT ACRO LYS SCISSORSHOLD CHUTE SLOTHS

ANI UVEA EERIE PAPERMULBERRIES BULGE PULL PRE STEELS EDSEL ROCKNROLLERS

UFO CARA HOMPER SANTAMARTA ILET CHOAT ICED RASA

I THINK I'LL ASK THAT

LITTLE RED HAIRED GIRL

IF I CAN WALK HOME

FROM SCHOOL WITH HER

PEANUTS

BLONDIE

I THINK I'LL TAKE A NAP

BEETLE BAILEY

SARGE, YOU

LIVE IN

YOUR OWN

LITTLE

WORLD

WHO'S THAT

ON THE

COVER?

ANDY CAPP

WIZARD of ID

REX MORGAN

AFTER LEAVING LIZ FELTON WITH HER HUSBAND LARRY, DR. REX

MORGAN DECIDES TO SEE THE

BEFORE STARTING

ISN'T THIS GREAT, GARFIELD? WE HAVE A WHOLE PAY OF FISHING AHEAD OF OS!

HOTCHA

HIS MORNING ROUNDS!

DiRA.

GARFIELD

HOSPITAL'S ADMINISTRATOR

MY FRIENDS...OUR HEALTH

PROGRAM HAS COME A LONG WAY

 Duffy Daugherty, former Michigan State footbell coach, on Santa Amia racetrack: "The only place where windows class are coache." windows clean people."

 Abe Lemons, the Oklahoma City and 12. Three runs by Sammy basketball coach, on player profiles in Winder brought the ball to the 15, press brochures: "Just once I'd like to and Karlis kicked the field goal." see a picture of one these guys with the caption: 'He's a dog. Ate up \$8,000 and Karlis kicked the field goal.

Bernie Kosar had passed to Brian Brennan for a 48-yard touchdown with 5:43 left in regulation to can't play worth a kick.' "

(LAT) an't play worth a lick." (LAT) give the Browns a 20-13 lead. But
Coach Buddy Ryan, after his PhilElway came right with the 98-yard

adelphia Eagles posted a 5-10-1 record: drive that fied the score with 37 "Anytime you have a season like this, seconds left on a five-yard touch-there's a possibility there are going to down pass to Mark Jackson. be coaching changes, player changes Brennan beat Dennis Smith's and sportswriter changes." (LAT) tight coverage down the left side-

I THINK I'LL SUGGEST

THAT MAYBE I SHOULD

HOLD HER HAND.

HOW LONG IS ()

GOSH! LOOK

AT THE YACHT,

THE PLANES,

THE BANQUETS

SOO

By Barry Wilner

The Associated Press
CLEVELAND — Rich Karlis kicked a 33-yard field goal with 5:48 gone in overtime Sunday, after quar-terback John Elway had led Denver on a game-tying 98-yard drive in the final moments of the fourth quarter of the National Football League game, to beat the Cleveland Browns, 23-20, and advance the Broncos to

their second Super Bowl.

The barefooted Karlis, kicking on a frozen field, ended a nineplay, 60-yard drive in overtime. The Broncos will meet the NFC champions, either the New York Giants or the Washington Redskins, in the Super Bowl at Pasade-

na, California, on Jan. 25. The Broncos won the AFC title in 1977, but lost to Dallas in that Super Bowl and did not win another play-off game until last week, when they ended a five-game postseason losing streak with a 22-17 defeat of the

New England Patriots. The Browns, who went into dou-ble overtime to beat the New York Jets last week, have never been to

the Super Bowl. The Broncos kicked off to start the overtime, then forced the Browns to punt. Elway passed to tight end Orson Mobley for 22 yards, to the Cleveland 48, and threw to Steve Watson for 28 yards, (LAT) to the Browns' 22, on third down

WHAT'S HE EVER

A YEAR AGO HONE OF

YOU HAD THE STRENGTH TO BYEN LIFT A PUMPKIN

THAT SIZE

I ASSUMED IT WAS) (I'LL CHECK)
HIS FIRST NAME--- WITH
BUT I MAY BE WRONG!) PERSONNEL---

GARFIELD!

DONE TO GET

TREATED LIKE

ROYALTY?

THINK I'LL WALK

VERY SLOW IN CASE I

THAT IT

BUMP INTO A TREE.

NFL PLAYOFFS

line to catch Kosar's pass on third and six. Smith, a Pro Bowl safety beaten earlier on a 42-yard play by Clarence Weathers, fell at the 18 as the pass was caught.

The Broncos botched the ensuing kickoff and started from their two-yard line with 5:35 left. Elway completed six of nine passes in the drive, and ran twice for 20 yards. But the key plays were Winder's two-yard run on third and two at the Denver 10 and Elway's 20-yard pass to Jackson on third and 18 at the Cleveland 48.

The Browns, who have won four NFL titles since joining the league in 1950, were 12-4 this season, posting the best record in the AFC. But they barely made it to the champi-ouship game, needing to rally from a 10-point deficit against the Jets with two minutes left.

Against the Broncos, they staged well-balanced, 86-yard drive, ending in Herman Fontenot's sixyard touchdown reception, for a 7-0 lead. En route, they converted four third-down plays, the last re-sulting in the touchdown when Kosar threw to Fontenot in the flat and the running back faked safety

Broncos Beat Browns on Overtime Kick

Tony Lilly to the ground. Then turnovers and the Broncos' solid defense stymied the Browns. Linebackers Ricky Hunley and Jim Ryan each intercepted a pass by Kosar and Kevin Mack fumbled away the ball once in the first half.

Denver scored 10 points off of those turnovers, on a one-yard run by Gerald Willhite and Karlis' 19yard field goal.

Karlis kicked a 26-yarder in the third quarter and the Browns' Mark Moseley kicked field goals of 29 and 24 yards to produce the 13-13 tie.

The league's new instant repter when Mark Harper stepped in front of Jackson to intercept a pass at Cleveland's 31. First ruled an incompletion, the call was overturned by replay official Jack Reader.

But the Browns couldn't move the ball, and Jeff Gossett's 42-yard puni gave Denver the ball at its 30. The Broncos went 61 yards in 11 plays, helped by a roughing the passer penalty against Reggie Camp that added 14 yards to Elway's nine yard pass to tight end Clarence Kay. Kay was activated before the

game after having good through drug rehabilitation and missia several games.

Cleveland linebacker Mike John-

son dropped what would have been an interception just before Kariis's field goal made it 13-10.

The Browns came right back, al-though Fontenot's kickoff return to the 50 was negated by Scott Nicolas's illegal block. Kosar took there 76 yards in 10 plays, with a 20-yard pass to Webster Slaughter, who sep-arated his left shoulder on the play, and a 22-yarder to Reggie Langh-

The Browns got to the seven then Moseley kicked his 24-yard

■ Gansz to Coach Chiefs Frank Gansz, who resigned last Wednesday as the special-terms coach of the Kansas City Chiefs Salurday was hired as the NF team's head coach, United Press

international reported. He replaced John Markovio, who was fired Thursday night.

Gansz, 48, had resigned as assistant head coach and special teams coach because, he said, he wanted to make some changes that would eventually lead to a head coaching job in the NFL.



John Elway, running here, passed the Broncos to victory.

WORLD STOCKS IN REVIEW / Via Agence France-Press

Amsterdam

Despite the bullish tendency in New York,

Akzo NV, Ahold NV and Hoogovens Groep BV were held to be responsible for the weak trading after announcing less-than-positive fi-

Frankfurt

Share prices gave ground on the Frankfurt stock exchange last week in response to tension within the European Monetary System and the fall of the dollar.

540, and Volkswagen AG was down 29 DM at

Linde AG, in the capital goods section, was 42 DM weaker at 670, while in electronics, Siemens AG gave 21.70 DM and AEG 15 DM.

Hong Kong

Hong Kong stocks scaled new heights last

than 40 points Friday.

company, Bond Corp. International Ltd. lts shares surged to three times their issue price by Wednesday but were suspended from trading Thursday, after news that talks were being held concerning an acquisition by Bond of a partial stake in Hongkong Television Broadcasts Ltd.

The target company's shares were also sus-ended, as were those of its major shareholder, Shaw Brothers Ltd., pending an announce-

London

Share prices advanced across a broad front last week on the London Stock Exchange. The FT-SE 100-share index reached record highs for three consecutive trading days, closlights for three consecutive trading days, closing Friday at 1,752.3, compared with 1,681.1 the previous week. The FT 30 index closed up 66.2 points on the week at 1,386.4, although it remained around 40 points below its record reached last April. The volume of transactions rose from 90,711 to 198,385. Encouraged by the records established on the

in crude prices.

Milan

Monetary System.

Paris

I THOUGHT

IT WAS

The CAC index surged 4 percent last week to 407.2 points, against 392 the previous Friday, as investors on the Paris Bourse bought heavily, heartened by government firmness in the face

of wage demands by striking public-sector

prices on the Amsterdam stock exchange declined last week

The ANP-CBS general index closed at 271.3, down from 277.5 on Jan. 2. Turnover rose to 4.801 billion guilders from 992 million.

nancial results for the year.

But stockbrokers Kempen & Co. said they expected a recovery within a few weeks.

The Commerzbank index lost 102.9 points to close at 1,913.5, while the volume of transacbillion Deutsche marks, against 888 million

over three days the previous week.

All sectors lost ground, particularly automobiles. Daimler-Benz AG gave up 76 DM to finish at 1,138, BMW AG lost 21 DM to close at

week before tumbling in heavy selling.

But prices settled higher overall and the leading market indicator, the Hang Seng Index, closed at 2,561,73, up 21.67 points from a week earlier. The Hong Kong Index ended at 1,640.93, up 20.58 points. Daily average turn-over surged from 840 million Hong Kong dol-lars to 1.3 billion dollars.

The Hang Seng surged to a new high Tuesday, broke 2,600 points Wednesday, stalled the next day and suffered a sharp setback of more

A major influence on selling was the listing on the market on Monday of an Australian

New York and Tokyo markets, British and overseas institutions bought heavily into the pharmaceutical, chemical, building and financial sectors. Oil shares benefited from the continued rise

The Milan stock exchange index closed Friday at 984 points, down from 1,000 points the previous week, in nervous trading linked to the market's upcoming accountancy period and uncertainty over movement in the European

In four days of trading — Tuesday was a public holiday — 109.62 million shares changed hands for 665.218 million lire, an increase of nearly 40 percent in value on the previous week. Analysts said this week's performance will be closely tied to developments within the EMS and the market's accountancy periods this Monday and Wednesday. But they expected some buoyancy, as small investors placed their year-end bonuses.

workers.

Sentiment was also boosted by an abundance of liquidity, as around \$50 billion was reported-ly available from loan coupons.

On Monday and Tuesday, investors re-mained in a buying mood, bolstered by the possibility of both a realignment in the EMS, which could boost French exports, and a reduce

tion in West German interest rates. Gains were less dramatic on Wednesday but momentum picked up Thursday, fueled by the electrical equipment sector, where a strong 1986 showing is expected, and construction.

Singapore

After a long period of listless trading, investors went on a buying spree in Singapore's first

week of trading in 1987. Strong gains on all fronts pushed the Straits Times Industrial Index up to 925.52, a gain of 36.44 points for the week. Speculators and market.

Volume increased fourfold to 135 million units for a total value of 243.7 million Singapore dollars.

Tokyo

Shares posted a moderate 99.06-yen gain in the terms of the Nikkei Stock average last week, closing at 18,810.36 yen.

closing at 18,810.36 yen.
In the year's inaugural half-day session on Monday, the Nikkei average advanced 119:15 yen from last year's final trading day, Dec. 23.7 Speculative buying of financials on Tuesday pushed prices up further. The 225-stock Nikkei topped 19,000-yen for the first taking mushed of a morning session, but profit-taking pushed the average down in the afternoon to 18,936.76,

still 0.52 yen higher than the previous high set Aug 20.

Daily average turnover declined to 477.404 billion yen from the previous week's 696.878 billion, indicating that many institutional in-

restors were still out of the market.

The market was depressed by reports that many applicants who won the right to purchase Nippon Telephone & Telegraph stock had giv-

en up.

Market analysts predicted that a volatile market trend would last at least until NT&T shares are listed next month.

Zurich

Anxiety triggered by rumors of a currency realignment within the EMS dampened sengingment on the Zurich stock exchange last weeks The Credit Suisse index dropped to 556.9 points, against 558.1 on Dec. 30, the last day of trading in the previous week.

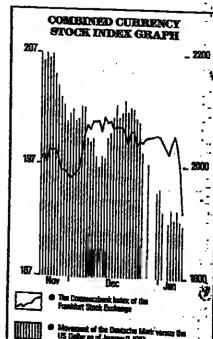
British and West German investors sold ma-

British and West German investors sold major packages of Swiss shares, notably those of banks. Shares held by Union Bank of Switzerland caded the week at 6,070 Swiss francs, against 6,000, while those of Credit Suisse ended at 3,830 francs, up from 3,800.

But market sources said the sales, which

sometimes came to 50 million francs, were "errors," as the moment to sell had not yet

Finance companies were mixed. Electrowatt gained 25 francs to 3,675, while Motor Columbus lost 80 to finish at 1,920.



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SPORTS

O'Grady Squirrels Away His 2d Title

CARLSBAD, California — Never mind birdies and bogeys. Mac O'Grady, once a golfing maverick and still an eccentric character who plays right-handed and puits from the left, who runs up mountains and speaks Japanese, had a much more complex explanation for his one-shot victory Saturday over Rick Febr in

the Tournament of Champions. It was at least partially attributable, he said, to his having overcome "focal dystonia myoclonus" what most golfers call the yips. He came down with a case when he 3-putted both the 10th and 12th holes. "I simply couldn't hit the ball. I knew there was no possible way I could make it," he said. It was part of "the brutal, the bizarre and the unbelievable" events he predicted would occur

To combat the yips, O'Grady of \$500,000 and, O'Grady said, said he resorted to "anterograde" enabled him "to shake hands amnesia," which, he acknowledged, could be more simply put as "forget it." He did, despite some further

mental gymnastics and, with a round of 71 managed the second victory of his often-delayed tour career (last season was primarily. one of flareups with PGA officials). It was, O'Grady said, "bringing the ship home, with the cargo and crew intact, despite the tsunami that crested over them."

He was aided by the fact that neither Greg Norman nor anyone else could make handle greens that O'Grady called "atrocious." "I'm surprised no one made a really good move somewhere along the line," said O'Grady,

who won with a 278 total, 10 shots under par. The victory was

Friday's third round. He never trailed on Saturday despite 3putting three times. Norman, expected to be his biggest challenger, couldn't sink makeable putts and never got closer than one stroke. He took himself out of it when he failed to birdie the par-5 17th and then drove into trouble and bogeyed O'Grady had a chance to wrap it up early but could not. He had an 8-foot (2.43-meter) birdie putt on the 10th that would have given him a comfortable 4-shot lead. But he 3-putted and said he could "see the dream going out

He also 3-putted the 12th, missing a 10-foot second putt he said "the adrenaline was flowing, my fingers felt like they were on fire. I was afraid the ball was going to explode off the club like a grenade." But he pulled himself together

with destiny."
Fehr, a 24-year-old rookie in

this event that brings together

only the winners of 1986 PGA

tour titles, hung on to take second at 71 / 279. Norman, the

Australian who won the British

Open and dominated world golf

last year, bogeyed the final hole

for a 71 and tied for third at 280.

Calcavecchia, who had a closing

70 in the weather that turned mild and breezy after a morning

frost delayed the start of play by

half an hour. Ben Crenshaw shot

a 68 and was tied at 28! with Hai

O'Grady, 36, who made 17 at-

inpts at the tour's qualifying

school before gaining his playing rights, started the final round

Sutton, who had a closing 71.

Also at that figure was Mark

with a critical one-putt par on the 13th, birdied the 14th by canning a 48-footer and parred in from there. With no one making a move, that was good enough.

His triumph was "good for people who dream. I've been a reamer all my life. To those who dream, I say: "Keep trying; keep on persevering. Don't give up. Fantasy can become reality," said O'Grady, who won at Hart-

Conditional Peace Pact Puts Australia IV in Finals

Compiled by Our Staff From Dispatches FREMANTLE, Australia - A peace meeting arranged by the Royal Perth Yacht Club, has put the yachts Australia IV and Kookaburra III into the final of the trials to select a defender of the Ameri-

ca's Cup.
But Kookaburra II, which placed third in the semifinals, may still he racing. It will be upgraded and if, in time trials, it proves faster than the winner, either syndicate can use the golden-hulled 12-meter in the cup final starting Jan. 31. Kookaburra II sails best in light winds, while Kookaburra III and Australia IV are heavy weather

Race organizers said they had not worked out details of the speed trials, but that they were considering changing the defender finals from a best-of-nine to a best-ofseven series to allow time before the cup final begins. The defender final is to start Wednesday, the challenger final on Tuesday be-tween Stars & Stripes and New

The peace agreement Saturday between rival millionaire syndicate chiefs Alan Bond, of Australia IV, and Kevin Parry, of Kookaburra III and Kookaburra II, ended three days of namecalling and a marathon hearing by a protest jury over a controversial sail used by Australia IV during the semifinals. "We have agreed to give Bondy a

second bite at the cherry, but it comes with several conditions, Parry said. Among them was the banning possibly, of Australia IV's new gen-naker sail from the defender final,

SCOREBOARD

although it appeared that an agreement on the sail still had to be
worked out, and the requirement
'If it's the strongest boat, we want
'If it's the strongest boat, we want that the victor compete in speed to use it." trials against Kookaburra II to de-

termine the fastest boat. Bond inferred that he could not dicate's efforts to get Kookaburra say whether his boat will be al- II and Kookaburra III in the final lowed to use the gennaker, a cross through the jury room, Bond against Kookaburra III.

With anti-Kookaburra sentiment growing because of that synrushed back from a business trip to We're looking forward to put-Parry, a Western Australian de-had first ruled that the gennaker ting on the best defense," he said, partment store magnate. They was legally rigged in the race Aus-

ca's Cup," according to a statement ra III. released by the yacht club.

The statement also said that the defender final will begin on time "irrespective of the result and consideration by the protest commit-

Parry, however, appealed the decision, which sent the jury into two days of closed door deliberations before it adjourned until Sunday. As it turned out, after the announcement of the accord ended its deliberations, the jury reported that it had voted not to reopen the hearing on the protest, putting the sail issue to rest at least temporar-

Had Australia IV been disquali-fied in Tuesday's race it would have ended Bond's \$13 million campaign to defend the cup he won in 1983, the victory that made him a national hero. The resulting loss of points would have dropped Austraha IV to third place, behind Kook-

But many Australians had become outraged at Parry and Kookaburra skipper lain Murray for trying to overturn a race course loss in the jury room. Switchboards at talk-show radio etations wera jammed with indignant callers de-manding that "Bondy" be allowed to sail. One local station, which asked listeners to take sides in the dispute, said that 94.4 percent of those who responded backed Bond.

According to a station spokesman, some miners from the northwest called to ask how they could return 200 Kookaburra T-shirts, which they refused to wear. Other angry fans huried Kookaburra Tshirts into the syndicate's dockside Syndicate heads Alan Bond, left, and Kevin Parry, shaking hands after aumouncing their agreement. Compound and chanted, "Give Bondy a fair go." (UPI, WP, AP)



tory this season.

It was the fifth World Cup career

triumph for the 23-year-old, who

Zurbriggen, who on Saturday picked up 15 points for his third downhill victory this season, added

won the season's first super-giant.

super-giant slalom here Sunday and

move to second place in the overall

Pirmin Zurbriggen of Switzer-

land capped a profitable weekend by following his victory in Satur-day's downhill with a second-place

finish Sunday to consolidate his

World Cup skiing standings.

NBA Standings EASTERN CONFERENCE

Wasmeier Takes Super-Giant Statom;

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The Overall Lead

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Zurbriggen said he didn't want GARMISCH-PARTENKIRCHEN, West Germany — Markus
Wasmeier of West Germany blazed
through a snowstorm to win a men's
super-giant slalom here Sunday and

WORLD CUP SKHING

23.44 seconds on the windswept,
1,860-meter (6,100-foot) Kandahar
course to score his second cup vic
24.45 seconds on the windswept,
1,860-meter (6,100-foot) Kandahar
course to score his second cup vic
25.27 to take unnecessary risks on Sunday. My downhill victory gave me
a lot of confidence, and 1 took it
casy," said the versatile 23-yearold, who is a prime candidate for

the gold medals in the two events at the world championships.
Richard Pramotton of Italy, who
missed the downhill and fell behind Zurbriggen, finished a distant 25th on Sunday and slipped to third overall with 118 points.

bounds: Nary York Af (Evring 10); Philodelphid 26 (Barkley 10). Amists: New York 28 (Sporrow 7); Philodelphid 15 (Cheeks 3). Partitud 39 24 25 33 13—327 New Jersay 53 34 24 21 6—329 Johnson 6-12 17-19 29, Dreuter 6-21 4-4 21) Woolrides 12-19 4-7 30, McKenna 6-15 3-4 20, Robeounds: Portland 33 (Cont 16): New Jersay 44 (Coleman 8), Assists: Portland 29 (Porter 8); New Jersay 25, (Wood 15). Secremente 15 24 24 33—99 Bordon 19 15-15 4-4 28, Antifolo 6-13 18-11 24; Stoppe 8-10 3-4 32, Thorpe 9-16 2-5 20, Rebounds: Socramente 47 (Thorpe 12): Boston 63 (Portsh 25). Assists: Socramente 27 (Wilson 7): Boston 22 (D. Johnson 6). L.A. Cilppers 21 (D. Johnson 6). L.A. Cilppers 21 (D. Johnson 6). L.A. Cilppers 25 (Cope 20) Portsh 12-14 5-7 37, Thornos 9-17 2-2 20; Woodson 11-20 6-6 26, Volentine 8-14 6-0 17. Rebesends: L.A. Cilppers 24 (Volentine 9): Detroit 27 (Lotnosa 16), Washington Milwewise 22 29 19 17—92 Wilsons 7-16-6-6 21, M. Molone 5-14 2-5 18, J. Malane 7-16 4-6 21; Cummings 12-26 4-5 28, Malane 7-16 4-6 21; Cummings 12-26 4-5 28, Malane 7-16 4-6 21; Cummings 12-26 4-5 28, Malane 7-17 4-6 78; Cummings 12-26 4-5 28, Malane 7-18 4-8 24, Malane 7-17 4-6 78; Cummings 12-26 4-5 28, Malane 7-18 4-8 24, Malane 7-17 4-6 78; Cummings 12-26 4-5 28, Malane 7-18 4-8 24, Malane 7-18 4-8 24, Malane 7-17 4-6 78; Cummings 12-26 4-5 28, Malane 7-18 4-8 24, Malane 7-18 4-8 24

Silong 7-15 3-3 17, Income 57 (Commings 241, Au-(Jones 9); Allwoutee 57 (Commings 241, Au-sists: Woshington 26 (Whorley, Williams, Ad-oms 5); Allwoutee 26 (Smith 9). Som Antesis 28 25 22 22—115 Pheesix 30 37 22 22—168 Robertson 9-15 7-9 25, Sundvold 9-17 22 21; Panda 9-18 5-4 25, Pinchopy 4-3 8-4 28, Re-14 (Greenwood 13); Davis 9-18 5-6 25. Pinctusy 4-8 8-8 21. bounts: Son Antonio 44 (Greenwood Phoenix 38 (Pinckney 7). Assists: Son Ant

Phoenix 36 (Pinckney?), Aselahs; San Anfenio 25 (Robertson 5); Phoenix 29 (Humphries 5). Deliver 10:35 37 26—114 Delives 24:22 80:25—115 English 11-26 44:26. Evens 5-10 7-12 20; Aguirre 12-22 9-10:33, Harner 11-10:2-32, Researches: Degver 43 (8, vans 121; Delive 53 (Perkins 16), Assleta; Denver 29 (Lever 5); Dallos 14 (Hanner 7).

time in weeks, no member of the powerful Swiss team placed among the first three.

Gafner, 35th to start, swept down the Spielmoos course in 2 minutes, 8.71 seconds to edge Walliser (2:09.14). Sieglinde Winkler of Austria scored her first cup points of the season by coming in third in 2:09.49. "Although I felt I ran a race with

Alberto Ghidoni of Italy, the

No. 39 starter, skied dariogly on the difficult course and finished

Gafner Wins

1st Cup Race

MELLAU, Austria - Beatrice Gafner, in only her fifth World Cup race, beat her Swiss teammate

On Sunday, American Tamara

McKinney won a slalom ahead of

time in weeks, no member of the

no mistakes, I certainly had no expectations of winning, or even making a place," Gainer said. "I am really happy."

Gainer last season competed on the European Cup circuit and finited appeal are all.

ished second overall.

She graduated to the World Cup this winter, and before Saturday her career best was 20th place in a

downhill at Val d'Isere, France, last

"Of course I am happy to have

time of 58.18 and was fastest in the

" the Fivers set an NHL record of 35

1 a two-page statement, NHL
sident John Ziegler said Friday But he was fired 72 games into the So.90 for an aggregate 1:49.23. Mo-consecutive games without defeat.
But he was fired 72 games into the Polish maiden name of Talka, had

Basketball

Barkley 6-8 11-14 22. Rebounds: Philodelphia 39 (Barkley 12); Washington 44 (AL Malane 17). Assists: Philodelphia 25 (Barkley 8);

Brighom Young 73, Texce-El Pos Son Francisco 41, Peoperdine 54 Utoh 80, New Moxico 72 SATURDAY'S SCORE:

Army 38, long 55 Sides 62, MIT 53 Sestion U. 54, Hartford 45 Columbia 57, Cornell 47 Georgehown 62, Pittsburgh 1 Hamilton 67, New Politz 17 Harvard 78, Princeton 74 Habort 52, RPI 79 Loss Island 92, Levola (Md LaSelle 102, Manhatton 69
Long Island 93, Loyola (Md.1 78
Molee 72, New Hampshire 79
Niopara 77, Colyate 86
Northcostern 89, Consists 61
Penn 94, Dartsnouth 74
Providence 96, Villanova 78
Rochester 51, Skidmore 47
St. John's 42, Doeton Cot. 58
St. Joseph's 78, Dayuesne 71

Alabama 75. Vanderbilt 71 Auburn 46, Mississippi St. 52 Clemson 71, Wake Forest 88 (OT) Davidson 79, The Clindel 71

n Zarbriggen, Switzerk Jel Mair, Italy, 1:50.57

Guesifier Moder, Austria, 1:25.14
 Herbert Renoth, West Germany, 1:25.16
 Korf Aleiger, Switzerland, 1:25.21

Ints
2. Markus Wasmeler, West Germany, 135
2. Richard Promotion, Italy, 114
4. Joel Gospaz, Switzerland, 180
5. Ingener Stennark, Swedan, 91
6. Bojan Krizol, Yuposlavia, 99
7. Franz Heinzer, Switzerland, 67
2. Michael Mair, Italy, and Peter Müller, 1141-1141-1141-1141-1141-1141-1141-1

7. Hubert Strotz, Austria, 1:25.23 O. Heinz Holzer, Italy, 1:25.32

Borkley 6-8 11-14 22. Rebondet: Philodephia 23 (Borkley 12); Wushington 44 (M. Moione 17). Assists: Philodelphia 25 (Borkley 8); Washington 28 (J. Moione 9). Secrumente 29 31 29 33—118 New York 2 29 32 33—119 New York 20 (Cortwright 7-12-102); Thorpe 8-12 9-13 25, Smith 8-12, 44 28. Rebonds: Socrumento 36 (Thorpe 11); New York 30 (Cortwright 7). Assists: Socromento 29 (Thous 13); New York 34 (Henderson 10). Clevelond 29 79 26 36—109 Noione 8-20-6-22. Bolley 7-16-3-52); Tiscole 7-10 4-20, Person 9-18 1-220. Rebendet: Indiana 27 (Person 19); Utoh 44 (Moione 13). Assists: Indiana 27 (Person 19); Utoh 44 (Moione 13). Assists: Indiana 27 (Person File 1-20. Rebendet: Indiana 27 (Person File 1-20. Rebendet:

Wilkins 9-14 14-16-32. Rivers 5-109-919; Newmon 4-10-3-4 ld, Horper 4-14-12-13. Rebeends:
Clevelond 60 (Turpin 9); Allonto 47 (Levingston) 1)1. Assists: Clevelond 21 (Horper 5);
Allonto 27 (Rivers 101.

Boston 28 19-28-36-481

Detroit 39 14-12-13. Rebeends:
Detroit 39 14-12-13. Rebeends:
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Detroit 30 14-14-15-35.

Georgia 44. LSU 63 (OT) Louisiena Tech 63 NE L Memphis 51. E3, Cinches

Tech 43 NE LO

SOUTHWEST
SOUTHWEST
Boylor 62. Texos 56
Houston 71, Rice 36
Texos Christian 55, Yexos A&A 54
Texos Tech 95, Arkoness 73
Tulsa 51, Dratin 49
WEST
Air Force 80, Howell 56
Boke State EI, Weber State 58
Celorado 17, Dayton 59
Colorado 52, 84, San Diego 52, 79
Idoha 60, Idoha State 54

Nevodo-Las Vegos 177, Utoh St. 54 Oreson State 71, Oreson 63 Southern Col 46, Artsono St. 62

WOMER'S OVERALL STANDINGS

Materia Svet, Yugoslavia 103 Michela Fishni, Switzerland 83

Cotherine Quittet, France 72

Stanford 73, Wash, St. 74

World Cup Skiing

Selected U.S. College Results

Navy 95, Jomes Modison 70 North Carolina 85, Duke 77 N. Carolina 51, 63, Georgia Tech 62 Tennessee 75, Kentucky 68 Virginia 71, Maryland 44 maryland 44
Allowest
Bawling Green 79, Toledo 78
Bradley 94, So, Illinois 79
DePout 59, Notre Dame 54
Illinois 76, Northwestern #6
Illinois State P Illinois State St. Indiana State 3 konsos St. 114, Nebreske 82 Kent Stote 84, W. Michigan 73 Miami (Ohio) 79, Ball State 66

David Bruce of Vancouver and New Jersey's Perry Anderson battled to a standoff (both took slashing and fighting penalties) on Saturday, and so did their teams in a 2-2 draw.

Hockey

National Hockey League Standings

I. Vreil Schielder, Switzerland 12 points 2. Mario Wallier, Switzerland 12 points 2. Brighte Certil, Switzerland 12 6. Eriko Hess, Switzerland 12 6. Tomora McKinney, U.S., 115 LY. Islanders 0 1 1—2 LY. Rompers 8 1 6—1 Kromen (4), B. Sutter (21) : Corpontor (4), hots or good: N.V. Islanders (on Fragge) 9-11-

Toronto N.Y. Islanders N.Y. Islanders
Hospoor (1), Bassen (3), D. Sutter (7);
Domphouse (13), Volve (12), Stots on greit
Terento (on Smith) 6-7-6-21; N.Y. Islanders
(on Wrespet) 18-6-2-23
Philosolophia 2 8 2-5
Boston 2 1 1-6
Sutter (10), Zezel (20), Kerr 8 (3), Crown
(4); Courtnott (5), Neety (15), Simmer (13),
Markwart (4), Shets en evet: Philosolophia
(on Resch) 11-7-6-24; Boston (on Hextofi) 1312-12-28.
Vancoever 1 18 8-2
New Jersty 8 1 1 6-2 13-12—28.

Vancouver

New Jersey

Sondlok (**), Tonti (141/ Johnson (11), Ludvis (7), Shots on good: Vancouver (on Billianton) 4-15-4-1—28; New Jersey (on Brodeur) 12-13-9-3—37.

Sofitation 1 4 2—5

Los Angeles 1 4 2—5

Los Angeles (5), Rossitu (7), Arniel 2

(4), Andreychuk (12), Pulement (16), Tucker

(13); Nicholis (15), Pulement (16), Tucker

(13); Piccison (10), Shetson gest: Buffolo (on Cioutier) 8-79—24; Los Angeles (on Borresso) 7-78—32.

Harriford 8 8 1—3

Maccaellos (16), Nilnoon 2 (11), Wilson (9);

Harrierd 9 1 1—3
Minnesets 8 1 9—4
MacLellor, (16), Nilseon 2 (11), Wilson (9);
Froncis (12), Barr (2), Ferrore (14), Shets on seal; Harrierd (on Taidon) 11–149—34; Minneseta (on Llof) 14-99—32.

Quebec 8 2 1—3
Richer (4), Watter 3 (9), Robbisson (7),
McPhee (9); Ashton (25), Goolet (24), Shets on seal; Quebec (on Royal 4-134—38; Montreal (on Malarchust 7-13-8—27.

Wheeleys 1 2—6
Defreit 1 8 1—3

Winelpay 8 1 2-d
Deirek 1 8 1-3
Steen (7), MocLeon 8 (29), Cartyle (7),
Smo8 (16); Snasek (1), Gollant (20), Shots en
goal; Winnipes (en Stefan) 10-4-21; Detroit
(on Winnipes) 8-5-11-24.
St. Leois 8 1 1-3

St. Letts 8 1 1 1—3 Colony 1 8 1—5 Wilson (111, Bulland 2 (12), Otto (12), Mullen (23); Banning (7), Gilmour (77), Stets en east: St. Louis (on Vernoni 3-11-3—19; Calgo-ry (on Warssiny) 8-67—22.

"Super Sunday" at the Waldorf for £25 per ticket on 25th January 1987.

Get your friends together and enjoy the excitement of the Superbowl live on our 6'x 9' screen. Just £25 includes hotdogs flown direct from New York, popcorn, peanuts and all the BUD you can drink.

Party starts from 10.30 pm and finishes late. Stay the night with us at a special rate of £45 a single room and avoid the hassle of commuting in the morning.

Sunday 25th January 1987. Book in advance, call Angela. American Week at The Waldorf: 19th – 25th January 1987. The Waldorf Hotel, Aldwych, London. Tel: 01 836 2400.

Trusthouse Forte Hotels

The Waldorf



finish Sunday to consolidate his overall lead.

Wasmeier, the defending champion in the event, clocked 1 minute, 12-point lead over Wasmeier.

HL Expels Coach of Kings or Dealings With Canucks

n of charges that he had ed a contract and accepted ery to become general manager season of the Vancouver Caks, the league announced.

ry club of any wrongdoing."
'he arrangement was, he was to

sident John Ziegler said Friday But he was fired to was no evidence Quinn "has 1981-82 season.

pupiled by Our Stoff From Disputches done anything other than to do his The Los Angeles Kings, was called from the National Hockey with the Los Angeles Kings win." Ziegler said he acted to make "sure the perception of integrated bare late Friday pending invest—nity is not tainted in any fashion."

The Los Angeles Kings, was common the month. Walliser, who finished first and third in Friday's training runs, has intitle in the common than the common that the common than the common th Quinn is under contract to the scason's downhills to date.

teams, had a poorer record. ident and general man- fenseman for the expansion Ca- of 1:48.79. in the future." Norm Jewison nucks in the early 1970s. He coached

"It does not interfere with Mr.

"It current duties" for the rest the regular season and play
"The regular season, when the regular season and play
"The regular season and play-

Kings until this season ends. He is the first coach expelled by the NHL. come in second," said Walliser, the In three seasons with the Kings, defending overall and cup downhill the cigar-chomping Quinn, 43, has champion. But the course was too spokesman for the Canucks reversed a losing trend. Lest year easy for a World Cup downhill, and Saturday that an "arrange- they were beaten out for a playoff one only has to look at the times of the was made with Quinn on berth by the Canucks while, after Vreni Schneider and Erika Hess, 24, that the Kings were notion Dec. 26, and thet "we are in when the facts are known, a 18-19-4 record. The Canucks had Hess 13th.

will completely exonerate won 12 games, lost 25 and tied 4; In Sunday's sialom, McKinney Mr. Quinn and the Vancouver only Buffalo, of the NHL's 21 tied for fifth in the first heat with a Quinn played 133 games as a desecond (50.61) for a winning total

(AP, UPI) an aggregate 1:49.26. (UPI, AP)

S. Doniel Mohrer, Switzerland, 1:51,84 4. Rob Bayd, Canada, 1:51,34 7. Tedd Breaker, Canada, 1:52,18

& Sepp Wildgruber, West Germany, 1:52.16 9. Peter Wirnsberber, Austria, 1:52.21 10. Marc Girardelli, Luzembourg, 1:52.38 MEM'S SUPER-GIANT BLALOM European Soccer ITALIAN FIRST DIVISION 22.44
2. Pirmin Zurbriagen, Switzerland, 1:34.15
3. Alberto Ghidani, Italy, 1:24.19
4. Franck Piccard, Prance, 1:25.00
5. Hans Stuffer, West Germany, 1:25.69

SPANISH FIRST DIVISION HIC Bilboo 4 Occupy 1

Los Polmas 2, Alberton Modrid 1
Codit: 1, Matierob 0
Sobodel 1, Sentender 1
Seville 0, Barcariona 0
Real Voltasiolid 1, Real Socieded 0
Real Modrid 3, Berts 0
Espeñal 2, Zerragoza 0
Murcia 2, Giljon 0
Poletis stendiese: Barcariona 33; R

Las Palmas 2, Atletico Modrid 1

Points standings: Barcelana 33; Real Mo-drid 21; Basonia 28; Althelite de Bilboo 26; Allettop de Madrid, Betis 22; Sevilla, Vollado-lid, Mallerca, Gijen 22; Real Socieded 21; Cadiz, Murcia 19; Las Palmos, Eortopasa 16; Sentander 17; Sobadell, Oscauna 15.

Transition

BASEBALL
Apperta Loope
CALIFORNIA—Staned Brian Downing,
outfielder, to a two-year contract. Deuts DeCinces, third beammas, to a one-year contract.
MEW YORK—Staned Tommy John, sinch-NEW YORK—Signed Tommy John, sitch-en to a one-wor controct, and Willie Ron-BASKEYBALL

Hattenet Besketteti Association CHICAGO—Signed Fred Ceffeld, sucrd. log 18-day contract. INDIANA—Activated Herb Williams, for-

Witzerland, 66 10. Roberth Eriocher, Italy, 62 WOMEN'S DOWNHILL. (At Mellon, Austria) 1. Beatrice Gather, Switzerland, 2:08.71 2. Marto Welliers, Switzerland, 2:09.14 3. Siegliede Winkler, Austria, 2:09.09 4. Resine Müslenlechter, West Germanner 5. Resine Müslenlechter, West Germanner 6. Resine Müslenlechter 6. Resine Müslenle 1:09,49 S. Michela Figini, Switzerland, 2:10,89 S. Laurie Gruham. Conoca. 2:10,25 Nichrin Guttensahn, Austria, 2:10,13 Safgitte Gerill, Switzerland, 2:10,35 Heidl Zeller, Switzerland, 2:10,55 N. Vrani Schneider, Switzerland, 2:10,54 WOMEN'S SLALOM (AN Michelan)

(At Mellay) 1. Tomora McKinney, U.S., 1:48.79 (58.14 (\$1,16-\$1,16) 4. Srigitte Cartil, Switzerland, 1:49,3

مكذامن الأصل

The Upswing of the English Romantics

By Herbert Mitgang New York Times Servi NEW YORK —In the literary marketplace, the stock of the Romantic poets is on the rise. The Shelleys, both Percy and,

thanks to the feminists, Mary, are blue chips; Byron is holding steady; Keats, after fluctuating, is making a second comeback, and it is worth betting a few bob on Leigh Hunt, who first introduced Keats and Shelley at his house in

Bruce Barker-Benfield, the librarian in charge of the voluminous Sheliey papers at Oxford's Bodleian Library, said the other day: "It seems that every English Department on your side of the Atlantic has a specialist in our Romantic poets. We do, too, but then there are fewer universities in England. Their literary era is very much alive with the younger generation on campus and also with readers on trains and in

The comments were spurred by the disclosure of the gift to the New York Public Library of the Pforzheimer Collection, "Shelley and His Circle," "It's an absolute ly splendid collection," he said, "and the catalogue for the collec-tion is more than a catalogue it's literature itself,

Barker-Benfield and a halfdozen other authorities around the United States agreed that the 8,000 manuscripts and 13,000 vol-umes in the collection at the New York Public Library could lead to additional works about the creative roots and personal lives of

"Their stock goes up and down," Barker-Benfield said, "but like all geniuses they will always rise again,"

Authors of books on Shelley. Byron, Keats and company believe the circle has an attraction to today's students and readers for two main reasons; the relevance of their ideas about uninhibited human behavior, their idealism about the state of the world, and - not to be overlooked - the beauty of their lyricism and accessibility of their language.

Betty T. Bennett, dean of the College of Arts and Sciences at American University in Washing-









Interest in the English Romantic poets is on the rise: From left: Keats, the Shelleys — Mary and Percy — and Byron are among the Romantics enjoying new popularity.

ton, will bring out her third volume of Mary Wollstonecraft Shelley's letters this year. Bennett went to Australia, where a Shelley descendant lived, to study the originals of a group of letters for the sake of accuracy and nuance.

The interest in Mary Shelley continues to increase, particularly because of the feminist move-ment." Bennett said. "She was a serious and talented writer -'Frankenstein' was an immediate success. The novel was cited in Parliament, Mary Shelley cannot be considered an appendage to her husband; she must be recognized in her own right. It's sometimes forgotten that she wrote five other novels. Her politics were anti-monarchist and egalitarian - she sought change by education. Mary Shelley even looked ahead to the 21st century in her 1826 novel 'The Last Man.' It's about the destruction of mankind by a plague — something like the AIDS epidemic."

"Shelley's influence was important in his lifetime - some of his

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Professor Carl Woodring of tinued steadily into the 20th cen-Columbia University, author of trry," Woodring said. "George Politics in English Romantic Po- Bernard Shaw was a Shelleyan etry," attributed the steady inter- and considered him as something est in the Romantics to the fact of an early proto-socialist. It may that they were emotional poets have helped that both were vege-

Indiana University, author of "Keats the Poet," said that Keats was also interested in politics, but not to the extent of the other

"Shelley and Byron were upper class, Keats was a Cockney, born within the sound of Bow Bells," Sperry said. "Keats never really left England until the end of his life, when he died in Italy. Shelley European liberation movements but Keats never had a chance to get involved. Although be was the youngest of the circle to die, at 25,

early works were circulated by fessor Jack Stillinger of the University of Illinois, who edited

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"The Poems of John Keats," added a partisan note: "Keats was the shortest of the poets - 5-feetone-half-inch-tall - but he was head and shoulders above his contemporaries. He is the one college students most relate to because of his character. He started out as an ordinary person and a bad poet and became a superb

Stillinger said that students appreciated the Romantic poets because they were the first modern writers who could be read without

Revolution and were the most inventive craftsmen since Shakespeare," he said. "They introduced new forms, new odes, mythological stories. They revised traditional Italian rhyme schemes. That is one reason why the original manuscripts are so important. To understand their writings, it's important to learn everything about their lives."

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Keep Your Distance From Distancing

By William Safire

WASHINGTON — Don't crowd me; I'm distanc-ing myself from the hottest cliche in Scandalville.

The distancing of himself from administration actions," wrote Helen Thomas of United Press Inter-

national, "puts in question the role of Secretary of State George Shuttz."

Robert Craig, a political scientist at the University of New Hampshire, said Vice President Bush "wants to distance himself from the administration but he can't do that," UPI reported.

A New York Times report concerning White House Chief of Staff Donald T. Regan read: "The National Security Council 'does not report to me,' Mr. Regan declared Nov. 26 in an apparent effort to distance himself from the scandal."

Although the verb phrase keep one's distance from, as well as the more loyal go the distance, is in most dictionaries, and distance is a transitive verb listed as meaning "to place at some distance," lexicographers neglect the reflexive verb form, which is outdistancing every other use of the word in the general lifting of skirts and tiptoeing-away.

Even the sports pages have adopted the vogue usage: George Raveling tried his best, wrote the Los Angeles Times about the basketball star, "to distance: himself from all the emotions of coming back to

Pullman and coaching against his former team." That takes distancing oneself too far, the transitive deny or suppress would work better on emotions, though if you're determined to be intransitive, you

could separate vourself from them.

Leave the self-distancing to people worned about the taint of scandal "H.R. Haldeman," wrote Peter Goldman in Newsweek in 1975, "professed contin loyalty to Nixon and yet seemed at moments almost easer to distance himself from him."

A related phrase is out of the loop, which is the condition you are in when all your colleagues have distanced themselves from you. "A lot of the people he cut out of the loop are gunning for him," a White House aide was quoted as saying about Donald Regan. The loop was a term in electrical circuitry that was adopted by automation theorists to describe operations in which a closed loop provided the machine the feedback to control itself. Now to be in the loop is to be in the circle of power, and to be out of the loop is not to have to worry about a special prosecutor coming after

The long self-distancing runners of today find their patron in the prophet Isaiah, who coined a memorable phrase in quoting the non-kosher incense-burners who distanced themselves from him: "Stand by thyself, come not near to me, for I am holier than thou.

W E cannot distance ourselves from solecism. Under the relentless pressure of penetrating interrogation, or sweating in the hallways outside Senate hearing rooms, public figures sometimes crack; to those of us in the language dodge, this manifests itself in the form of mixed metaphors, poorly chosen modifiers or

"It will be a cold day in Washington," said Senator David (Call Me Dave) Durenberger, Republican of Minnesota, "before any more money goes into Nicara-

Separatorial part

LATE MEWS

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metaphor of unlikelihood; in Washington, there are some fairly cold days and heavy snowfalls. On the other hand, if the senator meant to suggest that Washington, or political life, was hellish, then he is not in error, but merely in the wrong line of work.

Donald Regan, asked if the sending of arms to han was the crux of the problem, was quoted in The Wall Street Journal answering: "Yes, and the way they were delivened, and the whole seven yards." These goes his credibility with me; it is the whole nine pares, from the cubic content of a fully-loaded coment truck.

Robert C. MoFariane, the former national security, adviser who demies going to Tehran on an Irish pass.

RODERT C. Marariane, the former national security, adviser who denies going to Tehran on an Irish pass-port carrying a cake shaped like a key and signed copy of the Bible, testified that President Reagan's concern, for the hostages "was a very leading underpinning of this whole initiative." Underpinning is a good choice of a word here — "a supporting structure" — but leading this strikes the wrong mote as a modifier. Basic or finide. mental, maybe; concrete or solid; but leading is at the front of, and not underneath.

EVEN though he had distanced himself from the Iranian dealings, George Shultz used the phrase, shocking to some, in testimony to a House committee. on negotiations with the Soviet Union, in this manner "Clearly, the negotiations were coming toward the short strokes, and the Soviets were beginning to adjust their position." Howard J. Lewis of Bethesda, Maryland, is among the hornfield readers who writes: "Is short strokes one of those figures of speech with-explicitly sexual origins that have inserted themselves into polite conversation?"

Yes. In Francis Grose's 1785 Classical Dictionary Yes. In Francis Grose's 1785 Classical Dichonary of the Vulgar Tongue, the word stroke is used as the noun object of the infinitive in the archite expression to take a stroke, which he defined as "to take a bout with a woman," which the Oxford English Dictionary supplement explains is "an act of copulation."

Not every sense of stroke (from strike) is sexual, of the control of t

course: the Standard English word covers a single movement in basket-making similar to a sewing stitch; a strike of the hand or blow delivered by a golf strict; a strike of the hand or blow delivered by a golf club, and the blow to the gong that is the striking of a clock ("stroke of midnight"). In Eric Berne's 1964. "Games People Play," the social psychiatrist wrote: "Stroking may be employed colloquially to denote any act implying recognition of another's presence."

This friendly-gestime sense of stroke surfaced in a motto of toleration. The Houston Chronicle's Texas Magazine sense to delivered to the surface of the stroke surface of the surfa

Magazine reported in 1973 that the popular saying in a drug-abuse program was "different strokes for different folks," the beginning of which became the basis for the title of the television series, "Diff rent Strokes." Another innocent use of stroke is the movement of a

hand with a brush; in oil painting, the short strokes are meant for close detail, contrasted with the broad brush sort of pointing done by artists and strategists con-

cerned with the big picture.

The slang meaning of short strokes, unaccountably, is not defined in the latest slang dictionaries. Nor is its obvious climactic etymon, away from which I avert my eyes in shyness. The phrase is in frequent use and has come to mean "details" or "finishing touches."

New York Times Service

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and skeptics who posed intellec-"They were certainly involved m politics," Woodring said. "We

held a conference recently at UCLA, and some of the Marxist scholars interpreted Shelley as a sort of anarchist. One book on his politics, by Paul Foot, a British writer, is called 'Red Shelley.' Shelley's friend, Thomas Jefferson Hogg, who was expelled with him from Oxford because of the pamphlet The Necessity of Atheism,' memorably described him as a pacifist tempered with occasional assassinations.

radical groups - and it has con-

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